

# SPROUT

BUSINESS PLAN 2017-2018



# SPROUT

GROWING NEW CONNECTIONS

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## EXECUTIVE SUMMARY

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Sprout is an interactive, online business review platform which operates within the Social Media Advertising Industry. This platform allows its users to express their opinions on businesses in the Virtual Enterprises International (VEI) network. The company also offers its clients a variety of advertising packages that promote their brand to current and prospective customers.

Companies will partner with Sprout to attract new customers, build their brand recognition, and gain valuable feedback which allows them to effectively maintain quality control of their products and services. With Sprout, businesses are able to demonstrate their dedication towards customer satisfaction by responding to reviews and addressing any concerns.

Users will benefit from Sprout by gaining access to informative reviews about VEI businesses before making purchases. Additionally, they have the opportunity to share their experiences once they have made a purchase. This increases customer satisfaction, since their opinions are being addressed by the company they have reviewed. In VEI, an overwhelming majority of participants are a part of Generation Z - a generation that demands instant gratification for posting content online and receiving a response. Sprout's platform is built to satisfy this demand.

Sprout's mission is to cultivate connections between firms and consumers in the Virtual Enterprise network through its interactive social media platform, *Sproutny.org*. The company aims to establish itself as the central social media platform for the entire VEI community by fulfilling the need for a superior alternative to the VEI Firm Directory. With **Sprout**, we are all ***Growing New Connections***.

Online reviews play a major role in consumers' daily lives and typically become the deciding factor in whether or not a purchase is made. At least 90 percent of consumers read reviews before making purchases and 88 percent of consumers trust online reviews as much as personal recommendations<sup>1</sup>. Since the vast majority of consumers rely on online reviews, Sprout's services remain extremely relevant.

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<sup>1</sup> <https://www.invespcro.com/blog/the-importance-of-online-customer-reviews-infographic/>



The Social Media Advertising Industry has experienced rapid growth in recent years. This is indicated by an increase in social media advertising budgets worldwide. According to Statista.com, “Social media advertising budgets have doubled worldwide over the past 2 years—going from \$16 billion U.S. in 2014 to \$31 billion in 2016.” Companies such as Yelp and TripAdvisor have taken advantage of this rapidly growing industry. The Virtual Advertising and Marketing Industry has also experienced similar growth in recent years, with a total sales revenue of \$18,447,095 in 2016. This provides similar opportunity for Sprout to become the central business review platform for all of VEI.

Sprout’s short-term goals, as a start-up company, are to obtain a net profit of \$500,000 and establish itself as the central platform for all VEI social interaction in New York City within its first year of operation. Sprout’s long-term goals are to launch a mobile application for both Apple and Android devices and establish itself as the superior alternative to the VEI Firm Directory within the next three-five years.

On February 28, 2018 the company had total assets of \$858,034, total liabilities of \$131,626, and total stockholders’ equity of \$726,408. This shows a current ratio of 6:1, demonstrating Sprout’s ability to easily pay any debts it may incur.

As interaction on *Sproutny.org* increases, so does the value of Sprout’s services. The nature of a business review platform provides a built-in mechanism for quality control and customer satisfaction. These elements ensure a consistently expanding client base for Sprout, allowing the company to surpass its projected break-even point and generate a substantial profit. This along with the rapid growth in the Social Media Advertising Industry assures profitability for both Sprout and its investors.



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## ABOUT THE BUSINESS

### COMPANY OVERVIEW

Sprout is a start-up social media advertising company that offers an interactive business review platform. On this platform, Sprout's users are able to learn about and express their opinions on firms in the Virtual Enterprise network. The company encourages Virtual Enterprise businesses to promote themselves using Sprout's social media advertising services. Sprout operates within Suite 464 of Edward R. Murrow High School, located at 1600 Avenue L, Brooklyn, NY 11230. The company established itself as a C-corporation in November 2017, and is privately held by its owners: Virtual Enterprises International (VEI) as well as three other Angel Investors.

### MISSION STATEMENT

Sprout's mission is to cultivate connections between firms and consumers in the Virtual Enterprise network. By providing a platform where interaction between both parties is encouraged, the company aims to become the central social media platform for the entire VEI community. With **Sprout**, we are all **Growing New Connections**.

### MANAGEMENT FUNCTIONS

#### PLANNING

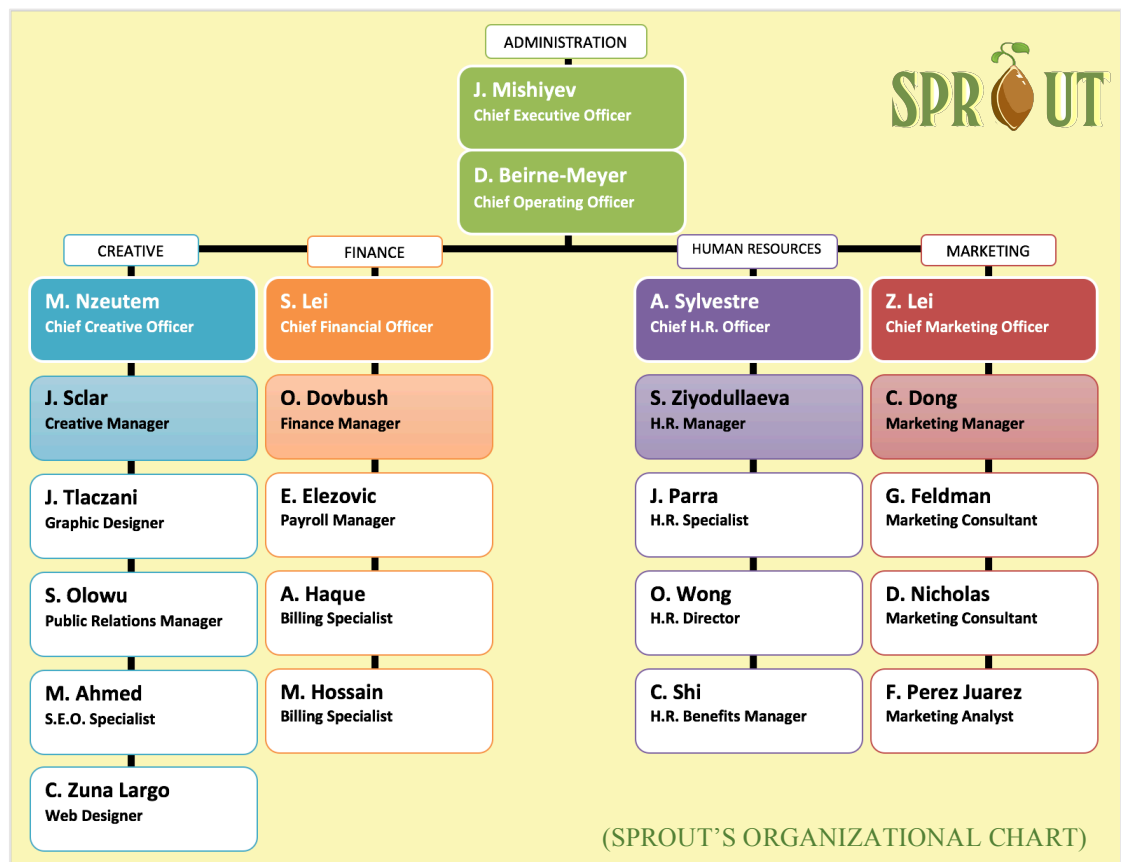
Short-Term Goals (One Year)	Strategies	Deadline
Obtain a net profit of approximately \$500,000	<ul style="list-style-type: none"><li>Secure online sales via business outreach</li><li>Attend domestic trade shows</li><li>Establish contractual sales with non-VE entities</li></ul>	April 2018
Establish Sprout as the central platform for VE interaction in New York City	<ul style="list-style-type: none"><li>Secure at least 26 clients in New York City (70% of all NYC firms)</li></ul>	April 2018



Long-Term Goals (Three-Five Years)	Strategies	Deadline
<b>Launch a Sprout mobile application for both Apple and Android devices</b>	<ul style="list-style-type: none"> <li>Secure 100 clients- to ensure ample interaction</li> <li>Partner with an application development company</li> </ul>	April 2021
<b>Establish Sprout as the superior alternative to the VEI Firm Directory</b> (A database of businesses provided by <i>Veinternational.org</i> )	<ul style="list-style-type: none"> <li>Secure at least 260 U.S. clients (50% of all U.S. firms)</li> <li>Secure at least 300 European clients</li> <li>Partner with VEI</li> </ul>	April 2023

## ORGANIZING

Sprout operates under a traditional line of authority based on the chain of command. This is depicted in Sprout's organizational chart, which illustrates the hierarchical responsibilities of each employee - creating a clear structure. The Chief Executive Officer (CEO) serves as a visionary-creating goals,



objectives, and strategies for the company to implement. The Chief Operating Officer (COO) assists the CEO with administrative responsibilities, while also working alongside each chief officer to develop and enforce weekly tasks for their respective departments. Once the weekly tasks have been administered, managers work closely with their employees to keep them on track.

Sprout's employees are divided into five departments based on their areas of expertise: Administration, Finance, Marketing, Creative, and Human Resources. Administration creates the overall goals, objectives, and strategies for the company. The Finance Department assesses the company's expenses, establishes the company's prices, and creates financial reports to analyze the company's financial data. Understanding Sprout's financials assists Administration in making major decisions for the company. The Marketing Department analyzes Sprout's customer base, tailors services to make them appealing, and seeks potential clients. The Creative Department maintains the content, aesthetics, and functionality of *Sproutny.org*. They also design all of the company's advertisements and branding. The Human Resources Department maintains productivity by implementing a motivational plan and upholds a friendly atmosphere in the office. This department also mediates any conflicts that may arise amongst personnel. They establish rules and regulations for employees to follow as well as maintain all company personnel files.

### DIRECTING

To promptly meet the company's goals, Administration utilizes a combination of both Autocratic and Democratic managerial styles. The company organizes weekly chief officer meetings to discuss and delegate weekly and monthly tasks for each department to accomplish. Once deadlines are finalized, the COO distributes weekly tasks via the company's shared drive, listing the responsibilities of each department. This is done so there is no confusion as to what is due and when, ensuring all deadlines are met. The chief officers then delegate these tasks to their managers, who delegate them to their employees. Managers also supervise their employees on a daily basis.

### CONTROLLING

Every employee at Sprout is dedicated to achieving the company's goals and objectives. The company monitors its progress towards achieving its goals through various methods. One procedure Sprout implements to monitor its progress is monthly employee evaluations. Once these are completed, superiors meet with each employee to discuss their results, always providing constructive feedback. Chief officers then create a plan of action for employees in need of improvement. As a result, there is an increase in productivity and quality. The COO interacts with each department on a daily basis to oversee and assist chief officers with their tasks. The officers monitor their employees by overseeing their work in shared Google Docs. This encourages employees to be more productive since their chief officers can monitor their progress closely. To obtain an outside perspective on the company's progress, Sprout features its own Sprout Page on *Sproutny.org* where users can



express their opinions on the business. This provides insight as to the quality of the services Sprout provides its clients and users, allowing for the company to maintain productivity and quality control.

At the end of each month, Administration then re-examines the company's overall progress with the chief officers at Sprout's *Monthly Progression Meetings*. These meetings give chief officers the opportunity to discuss the company's current goals and its progress in meeting them. If necessary, Administration will modify and re-adjust the company's strategies. By completing employee evaluations, monitoring progress through Google Docs, and receiving customer feedback, Sprout is able to effectively measure its success.

## SWOT ANALYSIS- INTERNAL

### STRENGTHS

**Creativity**- The artistic sensibilities of Sprout's designers allow for the creation of unique and appealing Sprout Pages. These sensibilities also attribute to the design of Sprout's website, which enhances user experience and encourages interaction.

**Technological Expertise**- Sprout's workforce includes technologically skilled employees who are capable of developing and maintaining *Sproutny.org* because all employees are required to have taken computer courses. With such expertise, Sprout can effectively cultivate connections between consumers and firms through a well-developed platform.

### WEAKNESSES

**Limited Brand Recognition**- As a start-up company, Sprout is not yet well-known in the VEI network. To gain recognition, Sprout promotes itself through digital media advertising, Sprout's own Sprout Page, business outreach, and personal selling. Furthermore, Sprout has become a Certified VEI Ad Vendor, giving the company both exposure and credibility.

**Limited Client Base**- As a newly established company, Sprout has a limited client portfolio. As the company gains more clients and user interactions, Sprout's client base will expand exponentially due to the nature of a business review platform. As interaction increases, so does the value of Sprout's services to its users.



### OPPORTUNITIES

**No Direct Competitors-** Sprout is unlike any other existing VEI firm. Due to its uniqueness, Sprout has no direct competitors. Sprout has taken advantage of this by marketing itself as a one-of-a-kind opportunity for clients.

**Fulfills a Need-** Sprout satisfies the need for a more interactive VEI Firm Directory, while also including a user-friendly business review platform. This provides Sprout the opportunity to become profitable by offering services that are in high demand.

### THREATS

**Dismantling of Net Neutrality Legislation-** Due to this repeal, equal access on the Internet is no longer ensured<sup>2</sup>. Without legal barriers, Internet Service Providers (ISPs) will be able to charge their customers more for access to certain websites as well as faster speeds on those websites. Currently, Net Neutrality remains in place until the U.S. Senate takes legislative action<sup>3</sup>. If Net Neutrality is officially repealed, Sprout's operating expenses may increase. To cover these potential costs, the company will re-adjust its prices in order to maintain profitability. Furthermore, the company will implement a feature that allows its users to adjust the pixelation of photos and videos on Sproutny.org, accommodating anyone with slower internet speeds. This feature will aid Sprout's clients by encouraging more users to visit Sproutny.org, since users are able to conveniently view content.

**Emerging Competition-** As the only business review platform in the VEI network, Sprout may encounter new competition. However, considering that Sprout has already established itself as the first business review platform and has cultivated connections with many clients, the appearance of a new competitor would not pose an immediate threat to Sprout. Additionally, due to the nature of the business, where the value of its services increases as it gains more users and fosters more interactions, an emerging competitor's services would initially be less valuable than Sprout's, giving Sprout a competitive advantage.

<sup>2</sup> [https://www.huffingtonpost.com/entry/net-neutrality-repeal-consumers\\_us\\_5a33e946e4b01d429cc8397b](https://www.huffingtonpost.com/entry/net-neutrality-repeal-consumers_us_5a33e946e4b01d429cc8397b)

<sup>3</sup> <https://www.senate.gov/CRSPubs/316e2dc1-fc69-43cc-979a-dfc24d784c08.pdf>



## EXTERNAL ENVIRONMENT

### CURRENT ECONOMIC CONDITIONS

Today's economic conditions strongly indicate that current times are ideal for small businesses. Compared to a 1.5 percent real GDP growth in 2016, real GDP for the year of 2017 was 2.3 percent, showing that the value of production within the U.S. has been increasing, proving the economy is strong<sup>4</sup>. Inflation rates are remaining low at an average of 1.8 percent for the past five years<sup>5</sup>. A low inflation rate is advantageous for businesses because companies are able to make long-term plans considering that the purchasing power of the dollar is steady. Currently, the Prime Rate is at 4.5 percent<sup>6</sup>. A low interest rate is highly beneficial for business expansion because it gives businesses incentive to take out loans. The surplus of funds allows for businesses to hire more workers and pay higher salaries. In turn, consumers have more disposable income resulting in increased business profits. When businesses gain profit, they have the ability to spend more on advertising services, such as Sprout's. Since the beginning of 2011, unemployment rates have decreased 5 percent, currently remaining around 4.1 percent<sup>7</sup>. A low unemployment rate is directly linked to high consumer confidence. A high consumer confidence level offers a great opportunity for businesses to advertise themselves and attract more consumers. This allows Sprout to offer its unique advertising packages to businesses who desire to gain exposure and attract more customers.

### INDUSTRY ANALYSIS – REAL & VIRTUAL

#### REAL INDUSTRY

Over the past few years, social media has become a large part of consumers' daily lives. This provides a great opportunity for social media companies to advertise businesses through their platforms.

Many businesses have realized that promoting themselves through social media is an effective way to gain brand recognition. According to Statista.com, "Social media advertising budgets have doubled worldwide over the past 2 years—going from \$16 billion U.S. in 2014 to \$31 billion in 2016," showing that companies

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<sup>4</sup> <https://www.bea.gov/newsreleases/national/gdp/gdphighlights.pdf>

<sup>5</sup> [https://data.bls.gov/timeseries/CUUR0000SA0L1E?output\\_view=pct\\_12mths](https://data.bls.gov/timeseries/CUUR0000SA0L1E?output_view=pct_12mths)

<sup>6</sup> <https://www.bankrate.com/rates/interest-rates/wall-street-prime-rate.aspx>

<sup>7</sup> <https://data.bls.gov/timeseries/LNS14000000>

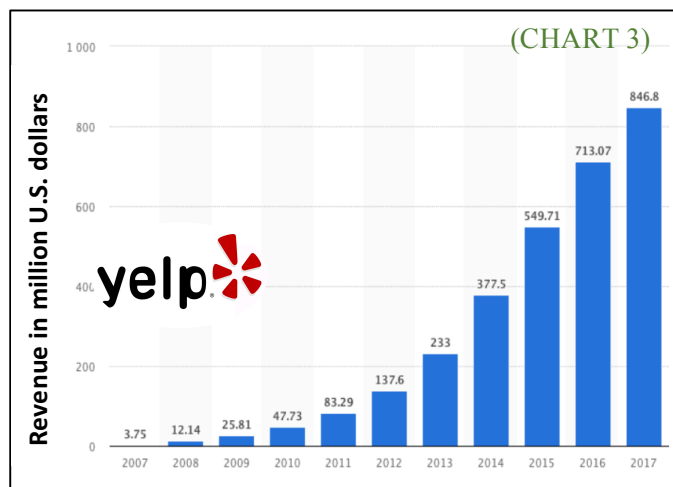
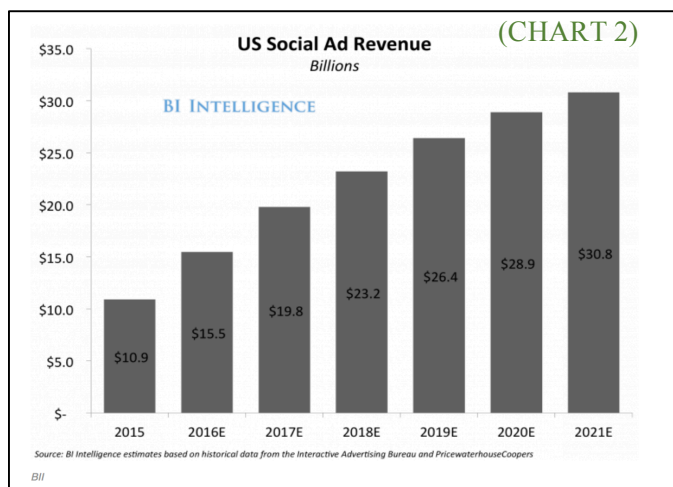
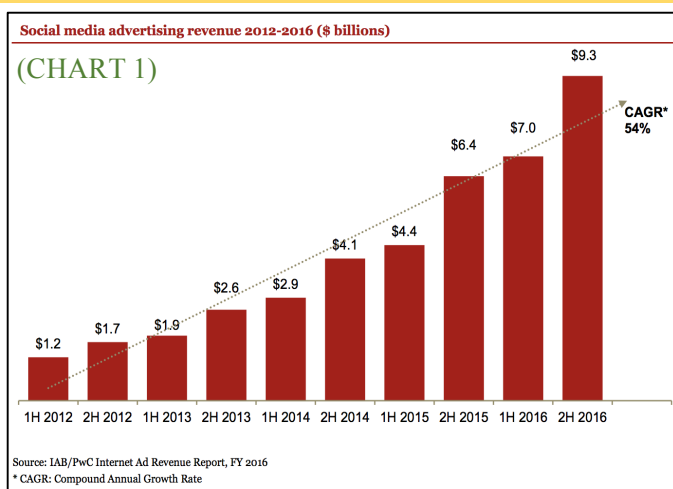


have been focusing their promotional efforts towards social media platforms<sup>8</sup>.

According to IAB's Internet Advertising Revenue Report (Chart 1), social media advertising revenues increased almost tenfold and Compound Annual Growth Rate (CAGR) has increased 54 percent in the past five years<sup>9</sup>. This rapid growth rate in the real industry gives Sprout the opportunity to grow rapidly as well, ensuring profitability for both the company and its investors.

Over the next three years, it is predicted that the Social Media Advertising Industry will continue to grow. Referenced in Chart 2, it is predicted that the industry will have a total of \$30.8 billion in advertising revenue by 2021<sup>10</sup>. This projection depicts a positive outlook that Sprout aims to take advantage of by becoming the first business review platform in the VEI network.

A company similar to Sprout that has taken advantage of the growing Social Media Advertising Industry is Yelp. Founded in 2004, Yelp provides its audience the ability to review other businesses such as restaurants, dentists, hair stylists, mechanics, etc. By offering advertising services on its platform, Yelp has been able to exponentially increase its revenue by \$843 million over the past decade as illustrated in Chart 3<sup>11</sup>.



<sup>8</sup> <https://www.statista.com/topics/1538/social-media-marketing/>

<sup>9</sup> [https://www.iab.com/wp-content/uploads/2016/04/IAB\\_Internet\\_Advertising\\_Revenue\\_Report\\_FY\\_2016.pdf](https://www.iab.com/wp-content/uploads/2016/04/IAB_Internet_Advertising_Revenue_Report_FY_2016.pdf)

<sup>10</sup> <http://www.businessinsider.com/social-ad-revenue-is-set-to-double-by-2021-2016-5>

<sup>11</sup> <https://www.statista.com/statistics/278022/yelps-annual-net-revenue/>





## VIRTUAL INDUSTRY

Similar to the real Social Media Advertising Industry, the virtual Advertising and Marketing Industry is rapidly expanding as well. In the U.S. virtual economy, there are 518 operating firms distributed among 27 industries within the VEI network. Of these firms, there are only 29 companies in the Advertising and Marketing Industry with a total sales revenue of \$18,447,095, eight of which operate within the United States. Considering all VEI businesses are required to advertise themselves, through VEI regulations, Sprout is given the opportunity to become the leading advertising company in the VEI network, by offering unique advertising services through a one-of-a-kind business review platform. These services are in high demand because Sprout's platform fulfills the need for a more interactive VEI Firm Directory that benefits both clients and users.

## COMPETITIVE ANALYSIS

As the first business review platform in the VEI network, Sprout has no direct competitors in its virtual industry. Despite this, the company does have indirect competitors that share a portion of its target market. These competitors include: Vivid, DASH, and NuApps.

Vivid is an advertising agency which allows VEI businesses to place ads on Vivid's website, social media accounts, and *Veinternational.org*. Like Vivid, Sprout promotes its clients on its website, social media accounts, and on *Veinternational.org*. Additionally, Sprout offers its clients a customizable profile page called a Sprout Page. This page provides clients with a more effective way to interact with their customers through an online review platform. **By offering a more socially interactive platform for clients, Sprout gains a competitive advantage in the Virtual Advertising and Marketing Industry.**

DASH is an E-publishing company which posts VEI businesses' advertisements on its website and *Veinternational.org*. They post blog entries, essays, and book publishings on their website as well. However, Sprout offers more effective promotional services because of its interactive platform. Along with offering its clients advertisement posting on *Veinternational.org* and social media, Sprout promotes its clients on *Sproutny.org* through *Sprout Pages* and *Seed Feed Posts*. **By offering a greater selection of effective promotional services, Sprout and its services are more valuable and therefore more desirable to potential clients.**

NuApps is an app development company that creates mobile applications for businesses in the VEI network and sells ad space to other companies on their apps. As of December 2017, the company released their





“V+” app, whose goal seems similar to that of Sprout’s. They aim to provide an alternative to the VEI Firm Directory by making profile pages for VEI businesses. However, along with the VEI Firm Directory, V+ lacks interaction and aesthetics. Sprout Pages foster interaction through their one-of-a-kind business review section and its well-designed layout. **VEI businesses find Sprout’s services more beneficial because they are able to interact with their customers and maintain quality control. VEI consumers find Sprout’s services more beneficial because they’re able to voice their opinions and concerns.** Additionally, Sprout’s status as a VEI Certified Ad Vendor allows for its clients to take advantage of cost-effective and much more valuable ad postings on VEI website rather than on certain NuApps applications, which have a limited amount of users.

## MARKETING PLAN

### TARGET MARKET & MARKET SEGMENTATION

#### TARGET MARKET

Sprout’s target market consists of both VEI businesses and consumers. The company will appeal to businesses in the VEI network that desire to brand themselves effectively and gain a strong online presence through customer reviews. Sprout will also target VEI consumers who seek a platform to review and learn about VEI businesses.

#### MARKET SEGMENTATION

Sprout first splits its target market into VEI businesses and VEI consumers. The company then segments these groups **geographically** by New York and California. These locations were chosen since 61 percent of the 518 U.S. firms operate within these two states. By targeting locations that hold the majority of VE firms, the company will effectively maximize its potential client base.

**For businesses**, Sprout segments **demographically** by targeting firms whose customers are a part of Generation Z, since the majority of VEI participants are of this generation. Furthermore, Sprout segments these businesses **psychographically** into those who seek to engage with their customers and build a strong online reputation through customer reviews.

**For consumers**, Sprout segments **demographically** by targeting teenagers of Generation Z, as well as adults of Generation X and Millennials who participate in VEI trade shows. Sprout’s services will appeal to Generation Z because they actively utilize the Internet to find information and demand instant gratification from online interaction. Sprout’s services also appeal to Generation X and Millennials who participate in VEI trade shows due to their active involvement and connection with the lives of Generation Z. Moreover, Sprout



segments these consumers *psychographically* to those whose daily lives revolve around technology and believe in the importance of consciously engaging in a well-connected platform.

## MARKETING MIX

### PRODUCT

Sprout is a business review platform which allows its users to express their opinions on businesses in the VEI network. Through this platform, Sprout offers a variety of advertising packages to its clients that promote their brand to current and prospective consumers. Sprout provides all of its clients with advertising in the form of a ***Sprout Page***. A *Sprout Page* is an online profile for a VEI business which can be enhanced through the purchase of an advertising package. A company's *Sprout Page* consists of only basic information (their name, type of industry, and a comment section) until an initial payment is made. Once the payment is received, the company's *Sprout Page* begins to flourish.

At the first level, the **Sapling Package** offers companies the ability to respond to reviews about their business, link all of their social medias to their page, and post pictures. At the next level, the **Pollen package** offers clients to also post videos onto their page and have their business appear on competitors' *Sprout Pages* in the "Businesses Like This" section. At the premium level, the **Garden Package** also offers ad postings on the VEI website which are linked to their *Sprout Page*. This allows these clients to maximize their potential brand recognition because they will be advertising their company on the only two platforms (*Veinternational.org* and *Sproutny.org*) in the VEI network where consumers can learn about businesses.




### Sapling Package

\$1,500/month +\$4,000 Creation Fee

- Claim your business
- Add a description of your business
- Post photos
- Link your social media(s)

[Buy Now!](#)

\*Fill out this form upon purchase of package and email it to [sprout.ny@veinternational.org](mailto:sprout.ny@veinternational.org)




### Pollen Package

\$2,500/month +\$4,000 Creation Fee

- Everything offered in Sapling Package
- Post videos
- "Businesses Like This" appearances

[Buy Now!](#)

\*Fill out this form upon purchase of package and email it to [sprout.ny@veinternational.org](mailto:sprout.ny@veinternational.org)



### Garden Package

\$6,000/month +\$4,000 Creation Fee

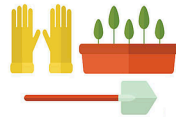
- Everything offered in Pollen Package
- Advertisement Posting on Veinternational.org
- Link your ad to your Sprout Page

[Buy Now!](#)

\*Fill out this form upon purchase of package and email it to [sprout.ny@veinternational.org](mailto:sprout.ny@veinternational.org)

Sprout also offers additional services that further promote its clients. Clients can be featured on Sprout's homepage as a **"Featured Business of the Month."** Additionally, on Sprout's homepage, clients have the ability to post new developments which they would like their customers to know about by "Planting a Seed" on Sprout's **Seed Feed**. Another feature offered is, **"Discover the Roots,"** where employees can claim their position within a firm and post a personal comment.

In the event that clients seek more tailored services, Sprout offers a **Custom Package** which allow clients to choose the features they desire most.



## Custom Package

\$TBD/month +\$4,000 Creation Fee

- Choose any feature from another package to form a Sprout page perfect for your business

Contact Us!

\*Fill out this form upon purchase of package and email it to sprout.ny@veinternational.org

## Advertisement Post

\$3,000/month

Post an advertisement on Veinternational.org which links to your Sprout page!

Buy Now!

## Seed Feed Post

\$500/post

Plant a Seed on Sproutny.org's home page to update everyone on any news your business would like to share!

Buy Now!

\*Fill out this form upon purchase of Seed Post and email it to sprout.ny@veinternational.org

## Discover the Roots!

\$250

Claim your position within your firm and add a personal comment

Buy Now!

### PRICE

Package	Sapling Package	Pollen Package	Garden Package	Custom Package
Price per Month + One-time Creation Fee of \$4,000	\$1,500/month	\$2,500/month	\$6,000/month	\$TBD/month

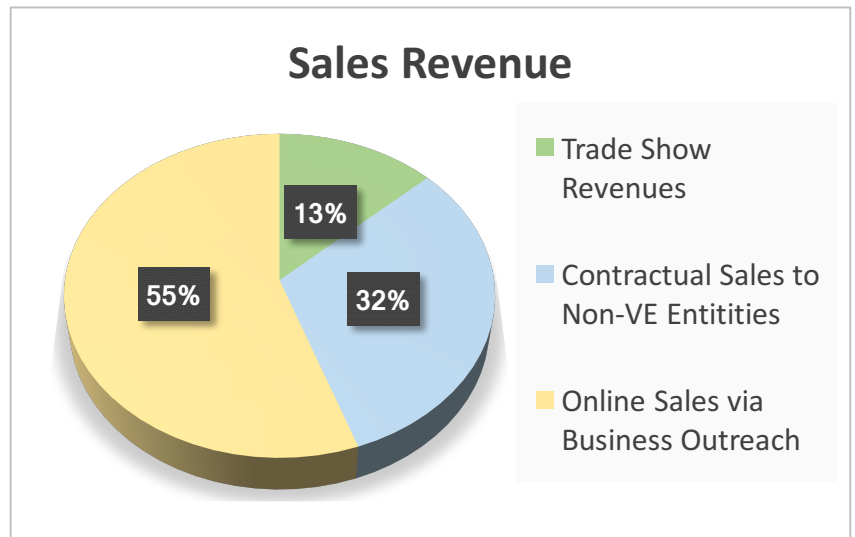
Sprout analyzed both its break-even point as well as the price of its competitors to utilize a combination of **Cost-Based** and **Competitive-Based Pricing**. The company has chosen these pricing methods to ensure profitability while maintaining competitively priced services, giving the company a competitive advantage within the Social Media Advertising Industry.

Sprout adopts **Bundle Pricing** to strategically accomplish its goals. This strategy provides Sprout's clients with the ability to purchase multiple services for a discounted price, rather than purchasing them individually at a higher cost. Sprout chose this strategy because it appeals to clients who are more likely to purchase a service if it's discounted, expanding Sprout's client base.



## PLACEMENT

Sprout offers its services to targeted clients through two main channels of distribution: trade shows and digital media. Clients can purchase Sprout's services at *Sproutny.org* or through direct contact at trade shows. The company estimated that 13 percent of its projected annual revenue will be from trade show sales, 32 percent will be from contractual sales to non-VE entities and 55 percent from online sales



via business outreach. Sprout plans to attend trade shows in order to make personal contact with potential clients. The company has also secured a contractual sale to a non-VE entity, which offers social media advertising services to Edward R. Murrow High School's twelve educational programs. Additionally, Sprout generates online sales by utilizing business outreach through phone calls and email contact.

## PROMOTION

As a crowd sourced social media, it is imperative that Sprout gains recognition as a reliable and convenient platform for VEI interaction. To accomplish this, Sprout has become a Certified VEI Ad Vendor and promotes itself with strategies similar to those used in marketing its clients. These strategies include digital media advertising, Sprout's own *Sprout Page*, reaching out to clients, and personal selling.

The use of social media advertising has many advantages for a company such as Sprout. The company posts clients' advertisements on *Veinternational.org*, which all VEI participants must access. These advertisements are linked to each clients' personal Sprout Page. By advertising Sprout and its clients on *Veinternational.org*, Sprout will gain brand recognition, ensuring that its potential clients will be confident in Sprout's services. Additionally, the advertisement will be linked to the client's Sprout Page, promoting the client as well as Sprout. To further utilize social media advertising, Sprout promotes itself on Instagram, Facebook, and Twitter.

To illustrate a premium Sprout Page, the company presents its own page as an example of all the features the company has to offer. By creating an aesthetically pleasing page, Sprout instills confidence that the

services it provides will promote businesses effectively.

Business outreach as well as personal selling allows for Sprout to inform its potential customer base about its services. The company consistently emails, makes phone calls, and networks at VEI trade shows in order to gain clients.

### POSITIONING

Sprout positions itself as the go-to business review platform for all of VEI. For its **clients**, the company positions itself as the central social media advertising platform, where all VEI businesses can promote themselves and gain valuable insight from customer reviews in order to maintain quality control. For **users**, Sprout positions itself as the best social media platform to learn about VEI businesses. Consumers can access *Sproutny.org* to gain insightful information about products and services before making a purchase. Consumers who have already made a purchase can post a review and receive instant gratification from a businesses' response. Sprout intends to be the superior alternative to VEI's Firm Directory by providing a more interactive and informative platform.

### DISCUSSION OF BUSINESS RISKS

In order for Sprout to reach its goals and objectives, the company must take into account the risks it has assumed and implement contingency plans in order to mitigate them.

One risk that may hinder Sprout's productivity is the decision not to offer a 401k plan for its employees in its first year. Without a 401k plan, Sprout's employees may feel undervalued. This could decrease employee motivation and therefore hinder Sprout's productivity. To avoid this, Sprout has implemented a retroactive 401k plan at 2 percent to be distributed in its second year of operations.

Throughout the fiscal year of 2017-18, Sprout projects that 13 percent of its annual sales will come from trade shows. If this assumption is not met, it may have a negative effect on the company's profitability. To mitigate this, Sprout will host its own mini-trade shows in order to make up for any losses incurred.

By identifying the business risks it has anticipated, and preparing contingency plans for them, the company has been able to minimize any foreseeable losses that may arise, ensuring its profitability and long-term success.

## FINANCIAL PLANNING

### FINANCIAL WRITE-UP

#### BREAK-EVEN ANALYSIS

To determine when Sprout will break-even with its projected expenses and begin to generate profit, the company performed a Break-even Analysis. Sprout offers a variety of packages including its most popular, Garden Package, which is sold at \$6000 per month, with a creation fee of \$4,000 in the first month. Through a detailed analysis in the company's sales, Sprout has determined that a majority of its clients purchase the Garden Package for an average of 6 months, making the average selling price per sale \$40,000 ( $\$4,000 + \$6000(6) = \$40,000$ ). By purchasing the Garden Package, Sprout's clients will have their advertisements posted on *Veinternational.org*, resulting in Sprout's cost of goods sold at \$1000 per month for an average of six months. Sprout is able to maintain a low cost of goods sold due to its status as a Certified Ad Vendor for Virtual Enterprises International. With an annual fixed cost of \$1,106,629.95, Sprout's projected profit margin is at 85 percent. In order to break-even, it was determined that Sprout needs to generate \$1,301,917.59 in sales, which translates to 33 Garden Packages for the fiscal year. The company has reached its break-even point as of February 28, 2018 and began to generate profit in the beginning of March. This break-even point was achieved by Sprout's promotional strategies and strategic pricing methods. Throughout the remainder of the year, the company will continue to generate sales and participate in trade shows to ensure the company's continued profitability.

#### INCOME STATEMENT

In the Projected Income Statement for the fiscal year 2017-2018, the company projects that Sprout will gain a net profit of \$490,273.81. In the month of October, the company experienced an expected net loss of \$178,205.62 due to Sprout's required one-month paid training program for its employees as a start-up firm. Starting in the month of November, Sprout began its operations and strived to surpass its projections each month. Sprout experienced lower sales revenues for the months of December and January due to vacation breaks that Sprout must take- mandated by the Department of Education. The company experienced higher sales revenue for the months of November and February due to a large contractual sale to a non-VE entity. The company projects higher sales revenues for the month of April due to the company's participation at the Annual New York City Trade Show. Sprout projects by the end of the fiscal year to obtain a gross profit of \$1,849,469.05, a gross income from operations of \$742,839.10, and a net income (after taxes) of \$490,273.81. These projections show that Sprout will swiftly break-even, generate a substantial amount of sales, and maximize its profits.

## CASH BUDGET

In the Projected Cash Budget for the fiscal year 2017-18, Sprout starts off with a cash balance of \$0. By the end of October, Sprout's ending cash balance was at \$170,000 due to the company's Equity Financing from seed funding and its three Angel Investors. Sprout will continue to collect cash through online sales and participation at trade shows, resulting in a projected ending cash balance totaling approximately \$714,000 by the end of the fiscal year. For VE sales, Sprout does not begin its services until its clients have paid both the monthly subscription fee for their package and the creation fee of \$4,000. Sprout encourages its clients to set up a monthly recurring payment system or pay a lump sum upfront for a discount in order to reduce accounts receivable. For trade show revenues, Sprout projects that 75 percent of cash will be collected by the end of that month and the other 25 percent of cash will be collected in the following month, since clients will be given two weeks to pay. By collecting an initial payment at the time of booked sales and monitoring recurring payments, Sprout is able to minimize any losses due to accounts receivable and maintain a healthy cash flow throughout the year.

## BALANCE SHEET

Sprout's Balance Sheet as of February 28, 2018 shows its assets to be \$858,033.74, its liabilities to be \$131,626.32, and its stockholders' equity to be \$726,407.42. This shows a current ratio of 6:1, demonstrating Sprout's ability to pay back its debt. As of February 28, 2018, 95 percent of the company's assets are liquid assets, reflecting Sprout's high liquidity rate. Of those assets, \$238,500 are accounts receivable due to Sprout's subscription-based model where clients pay on a monthly-basis. Sprout plans to invest a large portion of this cash into triple tax exempt municipal bonds offered by New York State in order to offset the increased capital gains tax. These results show Sprout's ability to accumulate assets and stockholders' equity and therefore continue to maintain a healthy financial position as a profitable investment.





## Break-Even Analysis

Average selling price per sale \$40,000.00  
 Average cost of goods sold per sale \$6,000.00  
 Average profit margin 85.00%  
 Annual fixed cost \$1,106,629.95

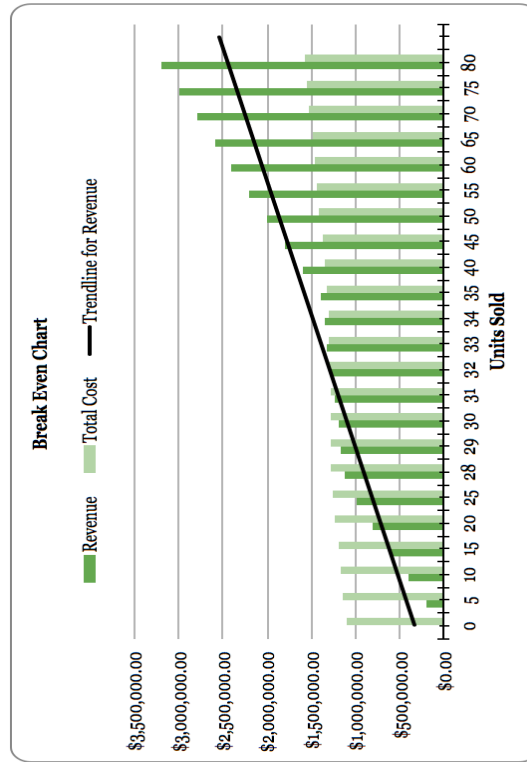
X	Y	Y	Y	Y
Units Sold	Revenue	Variable Cost	Fixed Cost	Total Cost
0	\$0.00	\$0.00	\$1,106,629.95	\$1,106,629.95
5	\$200,000.00	\$30,000.00	\$1,106,629.95	\$1,136,629.95
10	\$400,000.00	\$60,000.00	\$1,106,629.95	\$1,166,629.95
15	\$600,000.00	\$90,000.00	\$1,106,629.95	\$1,196,629.95
20	\$800,000.00	\$120,000.00	\$1,106,629.95	\$1,226,629.95
25	\$1,000,000.00	\$150,000.00	\$1,106,629.95	\$1,256,629.95
28	\$1,120,000.00	\$168,000.00	\$1,106,629.95	\$1,274,629.95
29	\$1,160,000.00	\$174,000.00	\$1,106,629.95	\$1,280,629.95
30	\$1,200,000.00	\$180,000.00	\$1,106,629.95	\$1,286,629.95
31	\$1,240,000.00	\$186,000.00	\$1,106,629.95	\$1,292,629.95
32	\$1,280,000.00	\$192,000.00	\$1,106,629.95	\$1,298,629.95
33	\$1,320,000.00	\$198,000.00	\$1,106,629.95	\$1,304,629.95
34	\$1,360,000.00	\$204,000.00	\$1,106,629.95	\$1,310,629.95
35	\$1,400,000.00	\$210,000.00	\$1,106,629.95	\$1,316,629.95
40	\$1,600,000.00	\$240,000.00	\$1,106,629.95	\$1,346,629.95
45	\$1,800,000.00	\$270,000.00	\$1,106,629.95	\$1,376,629.95
50	\$2,000,000.00	\$300,000.00	\$1,106,629.95	\$1,406,629.95
55	\$2,200,000.00	\$330,000.00	\$1,106,629.95	\$1,436,629.95
60	\$2,400,000.00	\$360,000.00	\$1,106,629.95	\$1,466,629.95
65	\$2,600,000.00	\$390,000.00	\$1,106,629.95	\$1,496,629.95
70	\$2,800,000.00	\$420,000.00	\$1,106,629.95	\$1,526,629.95
75	\$3,000,000.00	\$450,000.00	\$1,106,629.95	\$1,556,629.95
80	\$3,200,000.00	\$480,000.00	\$1,106,629.95	\$1,586,629.95

Break even point in sales dollars: =  
 Average Profit Percentage =  $\frac{(\text{average selling price} - \text{average cost of goods sold})}{\text{average selling price}} \times 100$   
 $85\% = \frac{(\$40,000 - \$6,000)}{(\$40,000)} \times 100$

Fixed Cost / Average Profit Percentage =  $\frac{1,106,629.95}{85\%}$   
 Total sales at break even: **\$1,301,917.59**

Break even point in # of sales:  
 Breakeven point in units =  $\frac{\text{Fixed costs}}{(\text{Average selling price per unit} - \text{average variable cost per unit})}$   
 $= \frac{\$1,106,629.95}{(\$40,000 - \$6,000)}$   
 Total packages at break even: **33 packages**

Note: This analysis is based only on the Garden Package, which is the most popular package.







## Actual/Projected Income Statement

For the Year Ending 4/30/2018

### ACTUAL/PROJECTED INCOME STATEMENT

	October Actuals	November Actuals	December Actuals	January Actuals	February Actuals	March Projected	April Projected	TOTAL
<b>Sales Revenues</b>								
Trade Show Revenues	0.00	0.00	0.00	0.00	0.00	0.00	250,000.00	250,000.00
Contractual Sales to Non-VE Entities	0.00	300,000.00	0.00	0.00	300,000.00	0.00	0.00	600,000.00
VE Sales-Initial Fee	0.00	1,280.70	42,100.00	59,000.00	260,588.35	100,000.00	30,000.00	492,969.05
VE Sales-Monthly Subscription Fee	0.00	0.00	97,500.00	44,500.00	205,500.00	187,000.00	36,000.00	563,500.00
<b>Total Sales Revenues</b>	<b>0.00</b>	<b>301,280.70</b>	<b>139,600.00</b>	<b>103,500.00</b>	<b>766,088.35</b>	<b>280,000.00</b>	<b>316,000.00</b>	<b>1,906,469.05</b>
<b>*COGS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8,000.00</b>	<b>40,000.00</b>	<b>9,000.00</b>	<b>57,000.00</b>
<b>Gross Profit</b>	<b>0.00</b>	<b>301,280.70</b>	<b>139,600.00</b>	<b>103,500.00</b>	<b>758,088.35</b>	<b>240,000.00</b>	<b>307,000.00</b>	<b>1,849,469.05</b>
<b>Operating Expenses</b>								
Salaries	162,142.80	149,949.10	117,239.20	121,360.00	118,873.60	162,142.80	162,142.80	993,850.30
Rent	3,060.75	3,060.75	3,060.75	3,060.75	3,060.75	3,060.75	3,060.75	21,425.25
Depreciation	0.00	728.54	728.54	728.54	728.54	728.54	728.54	4,371.24
Advertising/Promotion	0.00	0.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	5,000.00
Payroll Tax	12,403.92	11,471.15	8,968.81	9,284.01	9,093.82	12,403.92	12,403.92	76,029.55
Insurance	0.00	150.00	150.00	150.00	150.00	150.00	150.00	900.00
Utilities	598.15	598.15	598.15	598.15	598.15	598.15	598.15	4,187.05
Supplies	0.00	0.00	248.26	0.00	218.30	0.00	0.00	466.56
Trade Show & Travel Expense	0.00	0.00	0.00	0.00	0.00	0.00	400.00	400.00
<b>Total Operating Expenses</b>	<b>178,205.62</b>	<b>165,957.49</b>	<b>131,993.71</b>	<b>136,181.45</b>	<b>133,723.16</b>	<b>180,084.16</b>	<b>160,464.16</b>	<b>1,106,629.95</b>
<b>Net Income from Operations (Pre-tax)</b>	<b>-178,205.62</b>	<b>135,323.01</b>	<b>7,606.29</b>	<b>-32,681.45</b>	<b>624,365.19</b>	<b>59,915.84</b>	<b>126,515.84</b>	<b>742,839.10</b>
<b>**Corporate Income Tax</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>252,565.29</b>	<b>252,565.29</b>
<b>Net Income (After Taxes)</b>	<b>-178,205.62</b>	<b>135,323.01</b>	<b>7,606.29</b>	<b>-32,681.45</b>	<b>624,365.19</b>	<b>59,915.84</b>	<b>-126,049.45</b>	<b>490,273.81</b>

For the months of November, February and April, there was higher income due to a large contractual sale to a non-VE entity and Sprout's participation at the NYC trade show.

There was a net loss for October due to Sprout's required one month training program for its employees as a start-up firm.

For the months of December and January, the company had lower income because of the vacation breaks mandated by the DOE.

Tax Rate Schedule			
If taxable income on line 23 of Form 1120VE is:			
Over --	But not over --	Tax is:	Of the amount over --
0	50,000	15%	0
50,000	75,000	\$7,500 + 25%	50,000
75,000	100,000	\$13,750 + 34%	75,000
100,000	335,000	\$22,250 + 39%	100,000
335,000	10,000,000	\$113,900 + 34%	335,000
10,000,000	.....	\$3,400,000 + 35%	10,000,000

Corporate Income Tax:  
 113,900+34% of the amount over \$335,000  
 =113,900+34%(742,839.10-335,000)  
 =252,565.29

#### Notes:

\*COGS: There are no COGS for some months since not all packages sold include Ad postings services on Veinternational.org.

\*\*Corporate Income Tax: The corporate income tax is determined from the net income from operations for the fiscal year beginning October 1, 2017 to April 30, 2018.

Profit Margin: Is not the same as in the Break-Even Analysis. The B/E Analysis is based only on the Garden Package (COGS=\$1000 VEI ad posting). In the Income Statement for all other packages, Contractual Sales to Non-VE Entities and Trade Show Revenues there is no COGS other than the cost of time, which is already accounted for through salaries expense.



## Actual/Projected Cash Budget

### Fiscal Year Beginning 10/1/2017 Ending 4/30/2018

Description	October Actuals	November Actuals	December Actuals	January Actuals	February Actuals	March Projected	April Projected
<b>1 Cash Balance at Beginning of Period:</b>	0.00	170,000.00	246,914.43	153,935.28	116,991.72	575,135.51	560,429.89
<b>Receipts of Cash:</b>							
Equity Financing	170,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade Show Revenues	0.00	0.00	0.00	0.00	0.00	0.00	187,500.00
Contractual Sales to Non-VE	0.00	300,000.00	0.00	0.00	300,000.00	0.00	0.00
Entireties	0.00	1,280.70	42,100.00	62,620.00	283,133.35	100,000.00	30,000.00
VE Sales: Initial Fee	0.00	0.00	30,000.00	38,800.00	37,500.00	82,500.00	125,000.00
VE Sales: Monthly Subscription	0.00	0.00	48.84	176.70	58,924.13	0.00	0.00
*International Purchases	0.00	0.00	72,148.84	101,596.70	679,557.48	182,500.00	342,500.00
<b>2 Total Receipts</b>	<b>170,000.00</b>	<b>301,280.70</b>	<b>72,148.84</b>	<b>101,596.70</b>	<b>679,557.48</b>	<b>182,500.00</b>	<b>342,500.00</b>
<b>Beginning Balance + Cash</b>							
<b>3 Receipts</b>	<b>170,000.00</b>	<b>471,280.70</b>	<b>319,063.27</b>	<b>255,531.98</b>	<b>796,549.20</b>	<b>757,635.51</b>	<b>902,929.89</b>
<b>Payments:</b>							
*COGS	0.00	0.00	0.00	0.00	8,000.00	19,000.00	10,000.00
*Startup Costs	0.00	43,712.39	0.00	0.00	0.00	0.00	0.00
Salaries	0.00	162,142.80	149,949.10	117,239.20	121,360.00	162,142.80	162,142.80
Rent	0.00	3,060.75	3,060.75	3,060.75	3,060.75	3,060.75	3,060.75
Advertising/Promotion	0.00	1,000.00	0.00	1,000.00	4,000.00	0.00	0.00
*Payroll Tax	0.00	12,403.92	11,471.15	8,968.81	9,284.01	12,403.92	12,403.92
Insurance	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00
Utilities	0.00	598.15	598.15	598.15	598.15	598.15	598.15
Supplies	0.00	248.26	0.00	0.00	218.30	0.00	0.00
Trade Show & Travel Expense	0.00	0.00	0.00	0.00	0.00	0.00	400.00
Professional Development	0.00	0.00	0.00	7,585.00	15,968.35	0.00	0.00
International Purchases	0.00	0.00	48.84	88.35	58,924.13	0.00	0.00
*Corporate Income Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>4 Total Payments</b>	<b>0.00</b>	<b>224,366.27</b>	<b>165,127.99</b>	<b>138,540.26</b>	<b>221,413.69</b>	<b>197,205.62</b>	<b>188,605.62</b>
<b>Cash Balance at End of Period:</b>							
<b>5 (Line 3 - Line 4)</b>	<b>170,000.00</b>	<b>246,914.43</b>	<b>153,935.28</b>	<b>116,991.72</b>	<b>575,135.51</b>	<b>560,429.89</b>	<b>714,324.27</b>
<b>Net Increase or Decrease in</b>							
<b>6 Cash (Line 2 - Line 4)</b>	<b>0.00</b>	<b>76,914.43</b>	<b>-92,979.15</b>	<b>-36,943.56</b>	<b>458,143.79</b>	<b>-14,705.62</b>	<b>153,894.38</b>

Sprout projects to receive 75% of the April trade show revenue by the end of that month and the other 25% by the next month.

**\*Notes:**  
**International Purchases:** Made on behalf of the employees because international firms do not accept money from individual employee bank accounts.  
**COGS:** There are no COGS for some months since not all packages sold include Ad postings services on [Veinternational.org](http://Veinternational.org).  
**Startup Costs:** This includes computers, equipment, and furniture and fixtures.  
**Payroll Tax:** Represents Sprout's matching of FICA and Medicare expenses.  
**Corporate Income Tax:** Is not included in April's projections because it is not paid until May.



## Balance Sheet

2/28/2018

<b>Assets:</b>		
<b>Current Assets:</b>		
Cash	\$ 575,135.51	
*Accounts Receivable	\$ 238,500.00	
*Prepaid Insurance	\$ 600.00	
*Prepaid Advertising	\$ 3,000.00	
<b>Total Current Assets:</b>	<b>\$ 817,235.51</b>	
<b>Long-term Assets:</b>		
Furniture and Fixtures	\$ 15,857.10	
Office Equipment	\$ 908.41	
Computers	\$ 26,946.88	
<b>Total Long Term Assets:</b>	<b>\$ 43,712.39</b>	
<b>Less: *Accumulated Depreciation</b>	<b>\$ (2,914.16)</b>	
<b>Total Assets:</b>	<b>\$ 858,033.74</b>	
<b>Liabilities:</b>		
<b>Current Liabilities</b>		
Rent Payable	\$ 3,060.75	
Utilities Payable	\$ 598.15	
Salaries Payable	\$ 118,873.60	
Payroll Tax Payable	\$ 9,093.82	
<b>Total Current Liabilities</b>	<b>\$ 131,626.32</b>	
<b>Stockholders' Equity:</b>		
Common Stock, \$10 par Share	\$ 170,000.00	
Retained Earnings	\$ 556,407.42	
<b>Total Stockholders' Equity</b>	<b>\$ 726,407.42</b>	
<b>Total Stockholders' Equity &amp; Liabilities</b>	<b>\$ 858,033.74</b>	

**\*Notes:**

**Accounts Receivable:** Based on Sprout's subscription-based model where clients pay on a monthly-basis.

**Prepaid Insurance:** \$1200 was paid in November to cover insurance from November 2017- June 2018.

**Prepaid Advertising:** \$4000 was paid in February to cover advertising costs from February 2018- June 2018.

**Accumulated Depreciation:** Based on a 5 year straight-line depreciation schedule.

## APPENDIX

### BANK BALANCE

# US Network Bank

#### Account details

Account:	<input type="text" value="Sprout (Budget Checking) - 610376233"/>	<a href="#">Download account details (Excel)</a>
Period:	from <input type="text" value="02/28/2018"/> until <input type="text" value="02/28/2018"/> <input type="button" value="Show"/>	

Date	Name/Description	Account no	Ref#	Amount	Balance
Feb. 28, 2018	Gotham Enterprises, New York, NY VEI Checkout transaction #255628 02/28/2018 01:34 PM CT	610314823	3507802	-\$218.30	\$575,135.51





1600 Avenue L suite 464  
Brooklyn, NY 11230

Tel: (718)377-2871  
Fax: (718)377-2861  
Email: Sprout.NY@Veinternational.org


Non-VE Sales Contract

Date: November 10, 2017

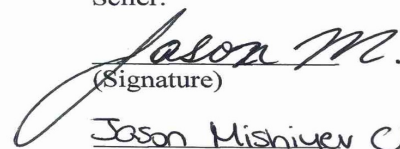
A Non-VE sale is a transaction of a **virtual purchase** of Sprout's services. This contract records and acknowledges the purchase of six advertising campaigns rendered from Sprout Inc. for Edward R. Murrow High School's programs and events. At the signing of this contract the sale will be confirmed at \$50,000 per Ad campaign for a total of \$300,000 for the fiscal year of 2017-2018. Attached is an invoice to finalize this sale.

By signing below, I hereby authorize my **virtual purchase** with Sprout. I understand that I will be charged \$300,000 for the six advertising campaigns rendered from Sprout Inc.

Buyer:

  
(Signature)  
Allen Barge Principal  
(Name and Title)

Seller:

  
(Signature)  
Jason Mishiyev CEO  
(Name and Title)



1600 Avenue L suite 464  
Brooklyn, NY 11230

Tel: (718)377-2871  
Fax: (718)377-2861  
Email: Sprout.NY@Veinternational.org

### Non-VE Sales Contract

Date: February 5, 2018

A Non-VE sale is a transaction of a **virtual purchase** of Sprout's services. This contract records and acknowledges the purchase of six advertising campaigns rendered from Sprout Inc. for Edward R. Murrow High School's programs and events. At the signing of this contract the sale will be confirmed at \$50,000 per Ad campaign for a total of \$300,000 for the fiscal year of 2017-2018. Attached is an invoice to finalize this sale.

By signing below, I hereby authorize my **virtual purchase** with Sprout. I understand that I will be charged \$300,000 for the six advertising campaigns rendered from Sprout Inc.

Buyer:

(Signature)

Alka Barge Principal  
(Name and Title)

Seller:

(Signature)

Jason Mishiyev CEO  
(Name and Title)





420 Lexington Avenue  
Suite 205  
New York, NY 10170  
Phone : 212.949.5269  
Fax : 212.949.5262  
www.jany.org

October 23, 2017

VE Central Office  
122 Amsterdam Avenue  
New York, NY 10023

Dear Paul Presti,

Please accept this letter of support as my intention to **virtually** invest \$50,000 in Sprout. In exchange for this investment of funds, I understand that I will be taking an equity stake in their business by receiving a commensurate number of shares of stock in their company.

I affirm that I have done the following to review and evaluate this company:

1. Listened to a business pitch from the executive team outlining the firm's business plan, including the marketing plan, operating budget, and sales/revenue projections.
2. Reviewed company projections and assumptions.
3. Engaged in Q&A or discussion to clarify and guide the firm's direction.

I understand that upon approval of this equity investment by the VE Central Office, Sprout will prepare and send to me a stock certificate outlining the number of shares awarded based on a \$10 Par Value. I also understand that as a result of my investment, I will be placed on the company's Board of Directors.

I believe Sprout provides an ideal way to connect the VE Students and firms, and this investment will make a great effort towards that goal.

Sincerely,

A handwritten signature in cursive script that reads "Tiffany Phillips".

**Tiffany Phillips**  
*Senior Manager, Programs*  
Junior Achievement of New York

Work Readiness | Entrepreneurship | Financial Literacy

THE NEW YORK CITY DEPARTMENT OF EDUCATION  
**Edward R. Murrow High School**  
DESIGNATED A SCHOOL OF EXCELLENCE BY THE UNITED STATES DEPARTMENT OF EDUCATION  
ALLEN BARGE, PRINCIPAL

October 23, 2017

VE Central Office  
122 Amsterdam Avenue  
New York, NY 10023

Dear Paul Presti,

Please accept this letter of support as my intention to **virtually** invest \$50,000 in Sprout. In exchange for this investment of funds, I understand that I will be taking an equity stake in their business by receiving a commensurate number of shares of stock in their company.

I affirm that I have done the following to review and evaluate this company:

1. Listened to a business pitch from the executive team outlining the firm's business plan, including the marketing plan, operating budget, and sales/revenue projections.
2. Reviewed company projections and assumptions.
3. Engaged in Q&A or discussion to clarify and guide the firm's direction.

I understand that upon approval of this equity investment by the VE Central Office, Sprout will prepare and send to me a stock certificate outlining the number of shares awarded based on a \$10 Par Value. I also understand that as a result of my investment, I will be placed on the company's Board of Directors.

I believe Sprout provides an ideal way to connect the VE Students and firms, and this investment will make a great effort towards that goal.

Sincerely,



Ms. Spy Kontarinis  
Assistant Principal Fine Arts & Business  
Edward R. Murrow High School

1600 Avenue L, Brooklyn, New York 11230\*(718) 258-9283\*FAX (718) 252-2611  
[www.ermurrowhs.org](http://www.ermurrowhs.org)



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Principal  
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## SPROUT PAGES AND FEATURES

### Sprout

Business reviewing platform

Discover the Roots?

Website: [Sproutny.org](http://Sproutny.org)  
 Phone: 718-258-9283  
 Fax: 718-252-2611  
 Address: 1600 Avenue L, Brooklyn, NY 11230

6 comments

☆☆☆☆☆

☆☆☆☆☆

Ana · 10 days ago · [Reply](#) · 3 ♥

☆☆☆☆☆

☆☆☆☆☆

Julie · 19 days ago · [Reply](#) · 4 ♥

Excuse me, but what does the name Sprout have to do with this business. When I think of a Sprout I think of some dumb plant

Diego Sandval · a month ago · [Reply](#) · 0 ♥

Mr. Diego,

Our company is named Sprout due to our slogan, "Growing New Connections." As you create a Sprout Page and receive more comments, your communication with other VEI members and companies becomes more accessible. The definition of Sprout is, "to begin to grow; shoot forth, as a plant from a seed." Your company is a seed, and with a Sprout page, it will begin to grow! Thank you for your question

Maven Nzeutem · a month ago

Discover the Roots:  
Sprout

**Maven Nzeutem**  
Chief Creative Officer  
*"If it doesn't nourish your soul, get rid of it."*

**Jason Mishiyev**  
Chief Executive Officer  
*"An investment in knowledge pays the best interest"- Benjamin Franklin*

	Maven Nzeutem Chief Creative Officer "If it doesn't nourish your soul, get rid of it."		Maven Nzeutem Chief Creative Officer
	Jason Mishiyev Chief Executive Officer "An investment in knowledge pays the best interest"- Benjamin Franklin		Jason Mishiyev Chief Executive Officer
	Dylan B Chief G One-lin		Dylan B Chief G One-lin
	Ahdana Chief of One-lin		Ahdana Chief of One-lin
	Simon L Chief M One-lin		Simon L Chief M One-lin
	Sharon Chief F One-lin		Sharon Chief F One-lin
	Name Position One-line description		Name Position One-line description
	Name Position One-line description		Name Position One-line description
	Name Position One-line description		Name Position One-line description
	Name Position One-line description		Name Position One-line description

Click "Discover the Roots?" on any company's Sprout Page to learn about an employees' name, position, and a little bit more!

# Blueprint

3D Printing



**BLUEPRINT**

BluePrint is a 3D printing firm in VE that specializes in promotional goods, architectural models, and prototyping. 90% of traditional paper business cards are disposed of within the first hour; most people are not able to visualize their dream home on a piece of paper; and finding a company that will help you both create the digital and physical design of a prototype is pretty hard to find. There is only one solution; BluePrint. 3D-Printing is in the top 3 of the fastest growing tech industries. Why yours?

Website: blueprintve.com  
Phone: 718-281-8297  
Address: 58-20 Utopia Pkwy, Fresh Meadows NY 11365



## 4 comments



Leave a message...



Love the Cards 🍷



Nick · 2 days ago · Reply · 0 ❤️



Best Business Cards 🍷

Chelsea · 6 days ago · Reply · 1 ❤️



Great business plan presentation. Congratulations!



Lisa Costantino · 2 months ago · Reply · 3 ❤️



Awesome business! They make great and unique business cards!



Jason · 2 months ago · Reply · 2 ❤️

## This Business' Photos



Link your social media accounts.

Receive comments that tell your company what consumers are thinking about your business, product, and services, which aids your company in maintaining quality control!

Post photos of your business!

(BLUEPRINT'S SPROUT PAGE)