# 1.0 Executive Summary

Soft Robotic Hand for Hand Rehabilitation​, is a medical device for stroke rehabilitation in terms of their high compliance and low inherent stiffness. We investigated the clinical efficacy of a soft robotic hand that could actively flex and extend the fingers in chronic stroke subjects with different levels of spasticity. we have already been designed and have clinics tests with patients

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with the participation of leading physicians and surgeons in gastroenterology. Seven patents are initially incorporated. The company projects $16 million in sales in year three. The company expects to have $50 million in revenue by year five. Patent applications on its first three market entries have already been accomplished using a top patent law firm.

The market segments are clearly defined and all are subject to a high growth trend. One market is projected to exceed $160 million in the next three years. That is the endoscopic variceal ligation market. One of the founders of Medquip participated in the design of the current market leader in that field and has improved upon the product significantly. Another market addresses a well-defined and unanswered need in endoscopic surgery: the clearing of fundal pools of blood and tissue during surgical procedures. A new and innovative design has been created to answer the needs of surgeons.

This market should begin at $20 million but could expand to several hundred million as soon as approvals are obtained for many varied surgical procedures. Medquip intends to license this technology to a larger company. The company becomes mature in year three. The company is potentially profitable in year one only if a proposed licensing agreement can be closed.

## 1.1 Mission

The mission of Medquip, Inc. is to design, develop, and market new patented technologies in the medical device field. The technologies will fill market niches that each account for a minimum of $20 million dollars in potential sales. Each technology will fill a current need in medical procedure by improving upon an existing technology or device, or by designing a device to serve a need that is clearly defined and acknowledged by medical professionals. Each product shall be priced to appeal to a managed-care market that stresses lowest cost of total treatment parameters.

### Chart: Highlights



## 1.2 Keys to Success

The keys to success for Medquip, Inc. are as follows:

1. Initial capitalization obtained.
2. All patent applications filed.
3. The ability to generate early revenue from non-regulated markets in Europe.
4. Licensing at least one technology and application to a major medical device corporation.
5. Getting low interest loans and/or grants to fully fund product development and prototype manufacture.
6. Recruiting top-notch CEO prior to second round financing and market roll-out.
7. Successful 510k approval from FDA to market Visi-Band in the U.S.
8. Successful implementation of sales and marketing plan to U.S. managed care market to obtain a minimum 10% market share in the second full year to generate $16 million in revenue.
9. Increased product development and continued market share gains to produce a $50 million revenue company by year five.

## 1.3 Objectives

The principal objectives of Medquip, Inc. are as follows:

1. To achieve a 10% market penetration in the endoscopic variceal ligation market by year three.
2. To achieve $16 million in revenue by year three.
3. To raise $1 million in private seed capital in the first six months.
4. To win low interest loans and grants from the government of Puerto Rico totaling $1.2 million in year one.
5. To license its technology for the obliteration/suction/irrigation market for $1 million dollars in year one.

**Financial Plan**

Our Project requirements for cash: Prototyping, Testing, MVP, Manufacture, Business development, Marketing, Sales Customer services and training expenses and assets will see us through the first year, as we hire sales representatives to secure increasing market share. Even with our conservative estimates, based on market research and the industry knowledge of the the founders, we will far surpass the break-even point from the second quarter of sales

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| --- | --- |
| **Project Funding** | |
| Project Expenses to Fund | $5000 |
| Project Assets to Fund | $25,000 |
| Total Funding Required | $30,000 |
|  |  |
| **Assets** |  |
| Non-cash Assets from Our Team | $2500 |
| Cash Requirements to launch project | $10,000 |
| Additional Cash Raised | $0 |
| Cash Balance on Starting Date | $10,000 |
| Total Assets | $21,500 |
| **Liabilities and Capital** |  |
|  |  |
| Liabilities |  |
| Long-term Liabilities | $10,000 |
| Other Current Liabilities (interest-free) | $1000 |
| Total Liabilities | $11,000 |
|  |  |
| Capital |  |
|  |  |
| Planned Investment |  |
| Owner | $2500 |
| Investor | $27500 |
| Additional Investment Requirement | $0 |
| Total Planned Investment | $30,000 |
|  |  |
| Loss at Start-up (Start-up Expenses) | ($1000) |
| Total Capital | $30,000 |
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|  |  |
| Total Capital and Liabilities | $41,000 |
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| Total Funding | $20.000 |

**Important Assumptions**

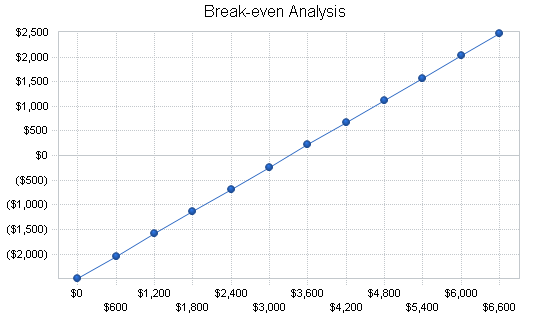
We are assuming the following key points:

1. We will test our project to rehabilitation clinics by Nov 6 and start free clinical trials to create success stories with clinics and patients​for 2 months.
2. We will successfully recruit field clinical sales reps per our schedule to reach seven reps by December 2022 with the first reps coming on line to begin selling in Jan.
3. We will be able to successfully leverage our corporate account relationships to drive business for the field sales force.
4. We will successfully secure supplier agreements with electronics suppliers and Corporation with favorable credit terms (90 days) at the outset; and with availability of product samples, marketing materials, and token inventory at no cost or a nominal cost.

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| --- | --- | --- | --- |
| **General Assumptions** | | | |
| Plan Month | 1 | 2 | 3 |
| Current Interest Rate | 10.00% | 10.00% | 10.00% |
| Long-term Interest Rate | 10.00% | 10.00% | 10.00% |
| Tax Rate | 30.00% | 30.00% | 30.00% |
| Other | 0 | 0 | 0 |

**Break-even Analysis**

The following table and chart show our break-even point in the second year, when the three VPs are deferring compensation. With a low monthly fixed cost and variable costs (including commission and shipping), we need to sell per month the amount calculated below to break even. Market research and previous experience assures us that we will easily surpass the break-even point even in our 18 Months of sales.



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| --- | --- |
| **Break-even Analysis** | |
|  |  |
| Monthly Revenue Break-even | $750 |
|  |  |
| **Assumptions:** |  |
| Average Percent Variable Cost | 25% |
| Estimated Monthly Fixed Cost | $2,497 |

**Projected Profit and Loss**