ENG 195
Due: 2/9/10
Sean Burke - 11039386
Frank Dodge - 18057014904
Raffi Isanians - 59105112
Kevin Hung - 83059781
Pao Ting Tu - 69422289

BleuKi

Executive Summary

It's raining, the kids are crying, hands are full of groceries, pockets are jammed full of random items, and the in-laws are waiting for you at the family gathering... As you are walking toward your vehicle on this fine day, don't you wish the doors were unlocked without having to waste time and effort groping for your keys? This is all made possible with the BleuKi. By utilizing Bluetooth technology, your cell phone can communicate with your car at a distance of over 50 feet and deactivate the alarm, unlock the doors, and even open the trunk or hatch. With the use of BleuKi software installed in the vehicle and the cell phone, you can pre-program what to unlock or open when you approach your car, so there is no more searching desperately for keys in a pocket full of the other gadgets of life.

Business Description

Our company will offer all the conveniences of a keyless entry car system, without the extra key dongle. Our customers would be able to free their pockets of car keys by using our software application to essentially convert their Smartphone into a car key. Our company operates on Americans wanting convenience and simple, routine chores made easier. We believe this product will catapult itself into commonplace because of how easy it is to integrate into already used products (the car and cell phone), the availability of the technology, and the advancement of the nation into a generation organized by and made easier with the help of computers. We pride ourselves on the service we provide, because we too live busy, hectic lives and sometimes it is asking a little too much to dig deeper into our pockets for those keys.

The team will seek a talented programmer and assist them to create our software. Over the course of approximately one year, the production cost of our project will be somewhere from $200,000 to $300,000. We are looking to sign a contract with one major auto-maker, preferably Ford since their vehicles are nearly all equipped with Bleutooth. In this contract, we will specify our preferences in the length of the contract (5 years), the minimum sales of our product (250,000 licenses), and the price per product ($50). Based on these estimates, we predict a yearly revenue of $12.5 million and over the course of our 5-year contract, this will equal $62.5million. Our growth is linear since it is limited by our contract. After the contract expires, we plan to market our product to other automakers for a more lucrative contract with a chance for exponential growth or to sell the rights to our product outright. We will be requesting for $500,000 to start up in return for 20% of the company, and when we sell the company anticipated at $50M we will give a 5 year return of $10M.

BleuKi Product

Our product will use software to combine a car key and wireless dongle with a Smartphone. Customers will be able to control all the functions of their car such as opening their car doors, starting their car, opening the trunk and setting the alarm, all from their Smartphone. This will allow the customer more access and more safety to their cars with less to carry in their

pockets. It will consist of Smartphone Bluetooth software, and onboard car computer software. This integration of technology borrows from patent 6,697,638 of using a portable phone as a security device. BleuKi would also eliminate the use of physical keys as identifiers of ownership. Using wireless technology people can transfer ownership with messaging between different mobile devices. Having a device that monitors and grants access to motor vehicles will allow people to have coordinate tasks effectively. We can further the convenience by providing the customer to preselect the vicinity of activation. Many cars have automated trunks/ rear hatches and these can be unlocked and opened in the same manner that the car alarm is disabled and the doors are unlocked. This same idea can be applied.

Our BleuKi technology is a realistic solution and product because all the technology needed to develop this product is already invented. With the implementation of Bluetooth in every Smartphone we are targeting, as well as Bluetooth being an option, and most likely a standard in the future, in Ford cars, the technology to make a Bluetooth enabled security system on the car is feasible. Writing the basic platform software would take around 200 man hours with 2 people coding the project, and 400 man hours to modify the software and test it for each type of Smartphone. Total, this would be 2200 hours for the 5 different types of Smartphones. In our startup, we would hire a specialized coder for each phone at $80 an hour. The cost of labor would be $176,000. Bluetooth testing equipment would cost $10,000. We would also have to get a license from Denso Corporation because they own the US Pat. 6697638 that was Filed on Oct 29, 1999 which is for an intelligent portable phone with dual mode operation for automobile use. The price of this license could be anywhere from $1,000 to $100,000 depending on the patent attorney. The total cost of the whole project would be estimated at around $200,000 with other expenses along the way.

Product Development

BleuKi strives to develop a convenient wireless locking system for customers to use in conjunction with their wireless cellular device they already have. Depending on the stage of development the company is in, funding will be diverted to different faucets. Our initial stage will be product and research development. We are anticipating a 6 month product development cycle to create the product and a 12 month testing cycle to refine the product. The fact that we would like to develop the product for five different cellphone operating systems (Android, IPhone, Maemo, Motorola and Sony) we are predicting 200 hours for the first generic code and 400 additional hours for each other operating system; totaling approximately 2200 hours of development to have an operational code. A typical person who works 40 hours a week for 52 weeks will work 2080 hours. The first round of support will go toward hiring a senior individual with experience in wireless technology to help BleuKi accelerate, develop and refine the product. BleuKi will set aside $160,000 for a new member. Additionally, we will need a lawyer to negotiate the terms and conditions with Denso who hold patent 6,697,638 which describes a product similar to BleuKi. The negotiations will determine if the progress of BleuKi will continue. The core members of the company will assist the wireless expert and lawyer in gauging and growing the company. At this time we will also look for individuals to sit on our broad of directors and advisors to the company. An estimation of our sales is $750,000 per year however as we add more features we hope to increase the price of the product and service. Our team of electrical, mechanical and chemical engineers will seek to diversify our talents by bringing accountants and sales into the group in the second stage of growth, which will take approximately a year to complete. We hope to obtain $1 million dollars to fund this aspect of the company. The second stage of the

company will take the company into its third year of operation where we will work with large car manufacturers to put our product into their systems. Safety and other precautions with systems integration will be addressed at this stage. By the end of the third year we will reevaluate the progress of BleuKi and plan for the continuation of the venture.

Technology Implementation

After initially producing our software for the car and phone, we hope to prompt home security systems to utilize our software and use a similar process of activating the security system once the phone enters the home. As cell phones become more "smart" and Bluetooth stronger and more commonplace, there may be other applications to develop. For now we would like to only stick to vehicles since this is a definite payoff.

Hopefully our product is a success and other automakers like GM will want to purchase our product for their vehicles. If GM would like to sign a more lucrative contract with us than Ford would, we may go that route. This would require us to change our software to be installed in the vehicles so we would take into account that expenditure. Ideally we would like to provide all automakers with our product but we would offer a contract that would be in the range of 5 or so years that they must use our product before implementing a product of their own in their vehicles. We would obviously implement a minimum sales-per-year quota, but we would not limit ourselves to just one company. During these 5 years, we hope to develop a fool-proof, more modernistic and upgraded version of our original BleuKi so when the 5 years of this contract is up, they would much rather use our BleuKi than their own product and thus forced to continue business with us for their own good.

We plan to sell our product directly to the automobile manufacturer. Initially, this would be Ford Motor Vehicles. The foundation of our sales will be a contract between our company and Ford that lays out the length of the contract, the limitations of both parties, pricing, sales, and other statements to protect either party. All of the statements in our first contract are up for debate and compromise but there are limitations on how far we will compromise.

We want the contract deal to span a 5 year time frame, though we will settle for no less than 2 with a contract renegotiation on our part after the first year or so of sales in the case that our product is a complete success. In the case of a contract length of less than 5 years, the amounts of sales and pricing will be negotiated in our favor since our primary costs were high. The rest of the contract explained below is under the impression that a 5 year contract will be drawn up. During these 5 years, Ford will offer our product as part of an option package that includes Bluetooth. Since the exact price of our product will thus be hidden, we will derive our revenue from one of two ways: either a flat rate for each car it is installed in or a select percentage of the sale value of the vehicle. Our base rates will be a $50 flat rate or 0.4% of the car value and we will work down from there hopefully going no lower than $10 and 0.1%. Ford can change the pricing of that particular option package accordingly. Considering Ford makes more than 1.2 million sales per year and approximately 33% of these sales will come equipped with Bluetooth, we find 250,000 to be a reasonable number of cars per year to be equipped with our product; this accounts for only 21% of their vehicles sold. (Based on only 150,000 sales per year at only $5 per sale, we would still make $750,000 per year. Considering our original offer, we would bring in nearly $12.5 million in yearly revenue.)

We do not plan on making our product an aftermarket product in the beginning, so we only will be marketing to those wanting to buy a car from Ford, due to the restraints of our contract. This would include nothing more than just a description pamphlet of the perk it

provides by accompanying Bluetooth. Our product isn't costing the customer more, they are merely receiving an added benefit to their chosen option with a slight price increase.
Our product will be preinstalled in the cars and we will either provide Ford with a compact disc to give to the customers to download the software onto their phone or offer an online web page on which they can download the software to their phone by entering a PIN number (the PIN number would be the most cost efficient). Ideally, phone and car companies alike will promote our product because our product requires them to work hand-in-hand; thus, we create a link between the two. We do plan on marketing ourselves as a very helpful, supportive product company by offering our service with any software complications that may arise as well as receiving feedback about our product. We want to establish a positive image by the time our contract with Ford is up so they either want to sign another contract with us, GM or another company will want our product, we have upgraded our product to make it more useful and valuable and someone will want it, or we can sell the rights to our product as a whole.

BleuKi Company Overview

The BleuKi Company is named after our top priority technology venture; Bluetooth technology powered car keys called BleuKi. BleuKi is designed to be a software technology that will recognize the vehicle and mobile device so that the mobile phone works as any ordinary car key. This includes features such as opening/closing doors and trunk and also starting up the car.
To start with, the company will seek to provide the BleuKi service to automobile industry rather than the mobile phone industry. This is because we want to create this software to offer convenience and safety towards automobile customers that often forget whether their cars are locked or not. At the moment, BleuKi consists of five existing members, all student engineers and we seek to fill the voids in the company with appropriate personnel.

BleuKi Industry Overview

BleuKi is a company that implements Bluetooth software for automobiles to provide keyless entry. This is achieved by connecting the Bluetooth system for the automobile and cell phone to allow communication between them. For BleuKi, our main focus is on partnership with the motor vehicle industry, Ford being our first and top distributor. This is because Ford made 16.1 % of the total light automobile sales in January 2010, numbering over 100,000 sales in one single month, and has been offering Bluetooth technology in nearly all of their recent vehicles. BleuKi belongs to both the wireless technology and automobile industry as we provide the software that will benefit both industries.

Top Five Converged Mobile Device Vendors, Shipments, and Market Share, Q3 2009 (Units in Millions)

Vendor	3Q09 Shipment Volume	3Q09 Market Share	3Q08 Shipment Volume	3Q08 Market Share	Year-over-Year Growth
Nokia	16.4	37.9%	15.4	37.1%	6.6%
Research In Motion	8.2	19.0%	6	14.6%	35.7%
Apple	7.4	17.1%	6.9	16.6%	7.1%
HTC	2.4	5.6%	2.1	5.1%	14.7%
Samsung	1.5	3.5%	1.5	3.7%	0.0%
Others	7.3	16.8%	9.5	22.9%	-23.5%
Total	**43.3**	**100.0%**	**41.5**	**100.0%**	**4.2%**

The Need for the BleuKi

Smartphone use is on the rise. We would be targeting the most popular Smartphones on the market today which are Apple, Sony Ericsson, Motorola, Palm and Google. Every automotive manufacturer is developing solutions that incorporate multiple technological innovations to add convenience for their customers. The need to move to a more digital world is approaching fast and physical media, such as car keys, are becoming obsolete.

The Potential Market for BleuKi

Our direct customer would be Ford. We want to market our system to Ford because they made 16.1% (112,149 vehicles) of the total light automobile sales in January 2010. Ford offers Bluetooth as an option in nearly all of their vehicles. It was estimated by msnbc.com in 2008 that approximately 3 million new vehicles that would hit the road would be equipped with Bluetooth and that by 2013, nearly 30% of all new vehicles would have the Bluetooth option. Seeing as nearly 700,000 were sold in not even the entire month of January of this year alone, our car market would be approximately 1,140,000 new vehicles from Ford for the 2010 year. Total cars equipped with Bluetooth on the road in 2007 numbered 25 million so we are looking to possibly target these as well with aftermarket products. Smartphones are also a huge market. In only the third quarter of 2009, 43.3 million smart-phone devices were sold. The overlap of these two numbers represents the absolute minimum number of new owners of a Ford equipped with Bluetooth who also owns a new smart-phone equipped with Bluetooth. This number is around 96,000 people (based on a US population of 300 million, and the number of cell phone and car owners is 75% of the population).

Our plan for making a profit would be to sign a 5 year contract saying that for the next 5 years, we will sell BleuKi exclusively to Ford and in return, we will receive a flat rate of $50 for each car with our system sold. Ford would include this technology maybe as a $200 option for their new cars or have it included in a special interior option which offers many features Ford provides plus our system and have the customer receive the software on their phone for free in either case. We would be willing to negotiate this deal with Ford if they decline this offer but they would most likely not. We believe Ford will take this offer because not only are they making possibly $150 more per car, but given our new technology; buyers would be compelled to buy Ford vehicles because this technology is something that consumers have never seen before. This technology would be exclusively for Ford vehicles and it would give Ford a competitive advantage over their competitors which means they would offer more money for our technology. The market is so large that if only 10% of the Ford customers choose our system option, we would make still $850,000 in revenue for one

year assuming Ford's sales projections are correct. When we make this technology available for all car makers after the 5 years, they would purchase it immediately in order to catch up to their competitor: Ford. We would also sell it as an after market add-on after those 5 years are up. Aftermarket add-ons of Bluetooth can start at $50 and range up to $100-300.

SWOT Analysis

Strengths:

On a basic level, we are all consumers of technology and we have personally experienced the hassle of dealing with the dongle for at least a couple years. Our technical experience spans electrical, material, and mechanical engineering as majors, programming knowledge, and previous application development. As far as our management team goes, we are all very cooperative and are willing to work hard to reach our goal. We have partners majoring in economics and business information management and we have career goals ranging from sales and management to entrepreneur and CEO, so the willingness the fill a variety of roles is present. We all have the characteristics of being a self-starters, responsible, and are great at delegating. We all possess good people skills including friendliness, outgoing personalities, and the ability to speak to or in front of others. We possess good problem solving skills, are creative and imaginative and can come up with some very colorful ideas. It is safe to say that we already provide not only a strong technological team but a strong management team as well.

BleuKi is comprised of two electrical and three mechanical engineers from UCI. Our experience levels are two sophomores and three seniors. This generates a very dynamic environment where developments and concepts come to fruition very quickly allowing the company to respond to changes swiftly. Two of our members have already had experience with startups from the Paul Merage School of Business, Business Plan Competition from the past. One placed first in the undergraduate division while the other received honors on their concept paper. One product was a medical diagnostic device that used electronic components to analyze samples, while the other product was a wireless alerting device. These members will be essential to the engineering development and decision making of BleuKi. Additionally, one senior member has a major in economics and another has experience in accounting. Our team has the desire and experience to bring this concept to reality. We have interdisciplinary members that cross into many aspects of engineering and business. The group and team dynamic will drive the progress of this product to completion.

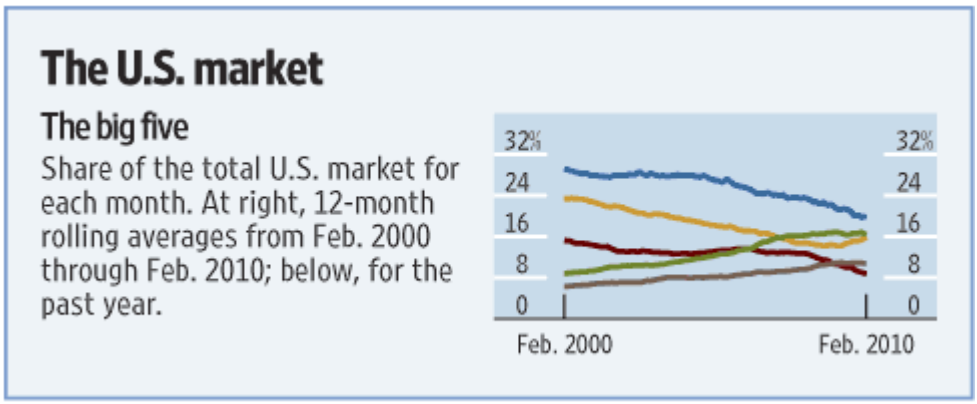
The BleuKi product is very affordable and user-friendly. Most of the population of the US already uses a cell phone on a regular basis and the application on the phone will be designed with the least technologically inclined in mind. We plan to provide the customer with a PIN number at the time of receiving the vehicle for the ability of downloading the cell phone software at the customer's convenience from our web page. This also gives our company a very inexpensive way to distribute the cell phone software. Since the software is already installed in the vehicle, the customer need not worry about having to deal with the vehicle's on-board computer. The customer can choose to use their dongle and manual key as needed as they are not deactivated by the use of BleuKi; BleuKi simply offers another, even more convenient way to unlock a vehicle. The cell phone application can even be deactivated at any time for the use of the other entry methods. For example, for those vehicles with a manual turn-key ignition, the cell phone losing power or being lost is not a problem since the key is on the person at all times anyway.

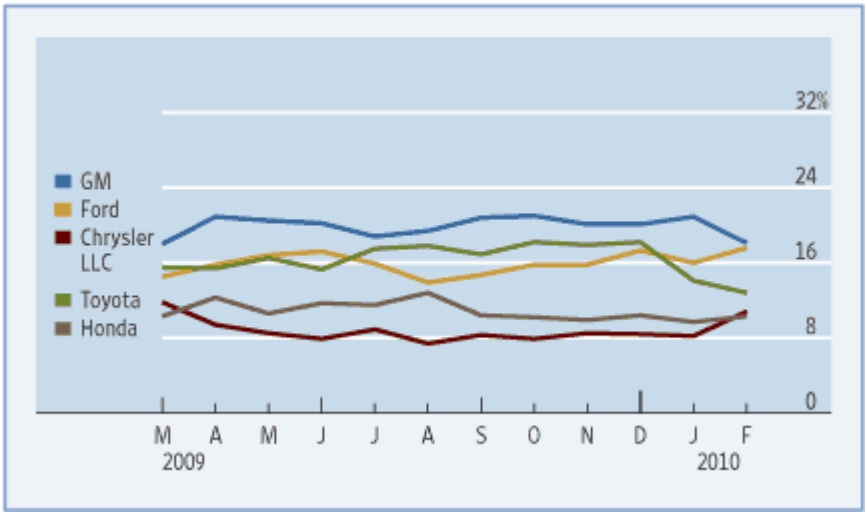
Weaknesses:

One of the major hurdles the team must overcome is separating our resources to seek funding of the concept, which is related to the talent held by our group members. We need to assemble expertise in sales, accounting and law. However, due to time constraints and resources some competitors have released products similar to ours and even made patents on the concept. Our design rests in implementing 3rd party solutions to create the user environment we want which limits us to the resources open to everyone. We do not have the knowledge or resources to develop advanced circuitry which may limit our ability to expand. Additionally the use of Bluetooth will jeopardize our ability to use other wireless transmissions because Bluetooth has proprietary protocols that companies make custom software for. Even if the code was written testing the device will be difficult because we need vehicles from the car manufacturers and the different smartphone platforms which are both expensive as we begin the initial development.
The only weakness to this system would be the case where a user's Smartphone dies during the day. Our plan to assess this situation is to provide additional research to our customers on where they can buy an extra battery booster for their certain type of phone. There are already companies that provide extra battery packs for every type of Smartphone, so we will provide the research, and highly recommend that our customers purchase those products and keep them in a hideaway location on their cars. With this plan, we will not have to enter that market of extra battery packs, and we will be providing a solution to our problem.

Opportunities:
Our product exists in a market that is not yet dominated by any one product. We are looking to take advantage of the American characteristic of laziness and their want for convenience. We are using current technology as well as technology that will become publicly available in the near future.
Since we have the only product in the business, we have a big edge over anyone else. I believe my company will agree with me to promote our product and service as very friendly and customer-oriented by providing Ford with surveys for feedback, samples to find more and better upgrades, and offering our number to Ford as a contact if difficulties in the software arise. We plan to provide this same service to those who purchase our aftermarket products after our contract is up. We would like to establish ourselves as user-friendly and easy to work with so when our contract is up with Ford, other automakers will scoop us right up for a contract with our product.
We are providing an affordable solution as convenience for smartphone users which for just the iPhone are 30 million and it is still growing. Bluetooth 3.0 will allow for more functionality as it begins to be implemented in all devices. Additionally, satellite communication is becoming cheaper and more widespread in many areas which will allow for implementation of our product. Throughout the development stage of the product we will be keeping the cost of the device low to give customers the chance to own the device. We will be working closely with Ford to develop the solution because they are pushing the use of technology the everyday use with their Ford Work Solutions.
The opportunity for BleuKi will be massive once we have successfully developed a link to automobile companies like Ford. This is because once we move into the automobile industry it is then easier for us to then branch into the mobile industry from there. BleuKi believes this software will sell because all car owners have had the experience where you have to walk back to your car to recheck the locks. But with this technology customer's cell phones will give them indication as to whether the car was locked or not. BleuKi technology also

provides impressive safety measures formulated for female drivers to lock the car once the driver is inside of the car to ensure no hijacking ever occurs.





Top 20 vehicles, current month's sales

	Feb 2010	% Chg from Feb '09	YTD 2010	% Chg from YTD 2009
Ford F - Series PU	32,895	39.3	60,525	**23.9**
Honda Accord	20,024	25.3	39,046	**19.9**
Chevrolet Silverado PU	19,822	0.2	42,594	**-2.7**
Toyota Corolla / Matrix	16,996	-6.1	34,117	**-8.6**
Toyota Camry / Solara	16,552	-19.8	32,344	**-21.9**
Honda Civic	16,471	5.0	31,164	**4.3**
Ford Fusion	16,459	116.5	28,638	**81.8**
Nissan Altima	16,198	1.2	34,834	**15.6**
Ford Escape	15,156	50.2	25,909	**40.4**
Ford Focus	13,708	38.4	24,097	**36.3**
Ford Edge	8,694	66.7	14,937	**46.6**

Threats:

Our product is banking on Bluetooth availability and success in both automobiles and in smart-phones. If Bluetooth does not become as successful and commonplace as we planned, then our product may die after our contract with Ford. We know that some automakers will

want to produce their own convenience product or software for the phone, but we believe these will only be the higher quality cars.
We are in a catch-22, per-say, with the cost of our product. Since people on average spend only $3500 per year on their vehicles including maintenance, gas, upgrades, and new vehicles, it would be tough to implement an increase in $50 or up to a vehicle just for a more convenient way of unlocking their vehicle. In this case, more people would go for this product if it were not as much. On the other hand, if our product is being added to a vehicle that has a cost of $20,000 (fairly low on the average new vehicle cost) for $50 (very high on our prediction of the cost) this only accounts for 0.4% (at maximum) of the total vehicle price. Overall, our cost can be a threat to our success.

· External threats to our concept are Mercedes Benz and Hughes Technologies "MBrace" system which incorporates our concept along with other features.
· Patent 6,697,638 by Denso Corporation blocks our creation of such a device and require us to license from them.
· Viper Technologies is a leader in automotive security systems and auto-starting systems. Players such as them and other large companies like BMW will deter us from following through with our concept.

Business Model
Our business model relies on our customer, Ford, to sign a 5-year contract that would ensure that we make a profit on our product. The contract would state that during these 5 years, our product will be sold exclusively to Ford and to no other motor vehicle company and in return, Ford will give us a $50 flat rate or 0.4% return in revenue on all vehicle sold with our product installed and would have to install them on at least 250,000 vehicles. We would be willing to negotiate with Ford the exact percentage return and the number of cars, but we would not be willing to go below 250,000 vehicles nor below $50 flat rate or 0.4% return. With these numbers, an accurate estimate can be calculated. Ford's cheapest model, the Ford Focus, starts at $15,995 and with a .4% return, this would be about $64 per car at the least. With at least 250,000 cars having our product installed, this would be about $12.5M dollars per 250,000 cars sold. We researched that Ford sold 27,630 motor vehicles in the first month of 2010, so these numbers over 5 years would be huge.
This contract will be appealing to Ford as well because they are still keeping 98.50% of their profits on all the vehicles they sell or 99.44% at the most. They would in return gain a competitive advantage over their competitors by making a new technology available to their customers, and they would take a percentage of the market share from their competitors. Our goal at the end of 5 years is to have Ford pay us more for our product assuming that sales increase, or start going after Ford's competitors to see if we can get a better deal with them.

The BleuKi Advantage: Rising Above Others
The advantage we have with using Bluetooth technology instead of creating a new smartphone would be that customers wouldn't have to buy any new hardware or carry around any type of hardware. If we had decided to build a new type of Smartphone, we would be competing in a large market that would most likely fail. With our plan now, our product compliments the popular Smartphones today instead of competing with them. Companies such as Nissan on the other hand offer the keyless entry system and would be a direct competitor, however with their systems, drivers have to carry around a key dongle in addition to their Smartphones. Our advantage would be one less device to carry around. Our

advantage over Viper SmartStart is that our system would be integrated right into the new Ford, and the cost for installation and Smartphone software would be included in the option price. For Viper SmartStart, customers would have to go to another store to get it installed and the costs are $499 for the hardware and software, $129 for installation and $29 a month for the GSM cell phone service in the car. Not only that, the system only works for iPhones, so the market share of their product would be cut down to only 16.3% of Smartphones. Customers would be more drawn to our option because they only pay a one time fee of $200 which includes installation, software and hardware. Also with Viper SmartStart, we have a competitive advantage over them because we know all the problems that customers are having with Viper SmartStart technology from the reviews on their website.

Our Management and Ownership Team: Quality Where Quality Counts

The BleuKi management team currently includes five founders. Although some of the founders have some experience in the field of management they will have to add to their management team as soon as they intend on expanding, none of them are qualified to manage large groups of people. However, while the company is small they will have the company split into two parts and different people, according to their background, will manage the appropriate teams.

The company will be split into software and hardware. Sean and Raffi will be the managers and chief engineers of everyone who works on writing code and software testing. Frank, Kevin and Vanessa will all manage and assist the engineers who will be responsible for how the software is implemented and works with the car itself. They will do all the hardware testing. The team of managers will meet weekly to check on the othersprogress and see what still needs to be done.

The first addition to our management team will be an accountant. He will be responsible for our budgets and will tell us exactly how much we have to spend and will give us weekly forecast and updates to make sure we are all working and spend accordingly.

Our advisory board is a crucial part of our business and will be relatively small until we begin to expand our business. Firstly we need someone respected in the automotive industry that will be able to guide us on the politics of large car companies. We will attempt to get the former CEO of Ford Jacques Nasser or the current chairman of Ford William Clay Ford Jr. We will also need someone with great knowledge in wireless entry and for that reason we will recruit the CEO of Siemens Daryl Dulaney. Siemens had one of the first patents on wireless entry and currently Daryl Dulaney is the CEO of Siemens Industry Inc. where his purpose is to merge U.S. businesses serving automated and industrial markets.

Another skill we will need is a businessman who assisted with the startup of a wireless entry unit, for that reason we will be recruiting Henery H. Chamberlain, he is the president of Chamberlain which makes wireless garage door openers. Lastly, we will need a lawyer on our advisory board so we will recruit Karina Hamilton an attorney that worked for pioneer electrons and went to Stanford University for her law degree, she has gained relevant experience in the automotive industry while working as a lawyer for pioneer electronics, which is a company that makes audio equipment for car companies.

Sean Burke is a 2nd year Electrical Engineer with a minor in computer science and has experience with Bluetooth technology. He has written software for computers in the area of Bluetooth proximity that will help in the production of BleuKi. He has knowledge with writing iPhone apps and can use these skills to adapt to the other platforms.

Frank Dodge is a third year undergraduate at University of California, Irvine studying for a B.S. in Mechanical Engineering and a minor in Management. He has experience in

programming and small business ownership/management. He has been a cell phone user for 6 years and a Chevrolet vehicle driver for 5 years. With these skills, he can keep BleuKi on the path to success.
Kevin Hung is a 5th year studying mechanical and materials science engineering, who has a background in novel manufacturing processes. In addition, to his manufacturing skills he has experience writing code in C++, LabVIEW and Visual Basic focused in the testing and validation of mechanical systems. Additionally, his experience with HappySleep will help bring BleuKi from concept to reality.
Vanessa is a third year chemical and material science major and has knowledge in the automotive department. She has knowledge in Solidworks, C and Matlab. She is very interested in cars and the automobile industry which would help out with the implementation of BleuKi.
Raffi Isanians is a double major in Electrical Engineering and Economics. His skills in Economics as well as engineering will help BleuKi become a success in this economy.

Expected Valuation of the BleuKi Company
RF Micro Devices (RFMD) is a $250 million dollar company that acquired a company Silicon Wave a company based in San Diego that specialized in the design and development of RF systems-on-chip for use in wireless and broadband communication systems and products. Silicon Wave developed products such as Bluetooth products for wireless communication, cable modem and digital set-top boxes. The acquisition of Silicon Wave by RFMD was $10.8 million. Silicon Wave began in 1997 and was acquired in 2004. After approximately 7 years the company was able to be sold to a larger company for $10.8 million. The fact that we will mainly be a software company we expect the valuation of the company to be lower than Silicon Wave. Depending on when we exit the valuation of the company will differ significantly. If we were to exit we would expect to do it at the conclusion of the negotiations with the large car companies. At that point we have been in operation approximately 5-7 years and would hope to be valued at $55 million dollars. The negotiations of the patents and relationships with the car manufacturer's will be our main assets.

	2011	2012	2013	2014	2015
Fixed Costs	1000000	100000	100000	100000	100000
Labor	1600000	1600000	1600000	1600000	1600000
Variable Costs	300,000	300,000	300,000	300,000	300,000
Revenue	12500000	12500000	12500000	12500000	12500000
Profit	9,600,000	10,500,000	10,500,000	10,500,000	10,500,000
Company	9,600,000	20,100,000	30,600,000	41,100,000	51,600,000

Exit Strategy

We decided not to market and sell this product directly to drivers ourselves because in order for these drivers to use our product, they would have to either know how to install the system by themselves, or pay to have it installed by a third party, which we would also have to monitor. By selling directly to Ford under our contract, we wouldn't need to spend money on advertising, we wouldn't have to worry about selling a minimum number of units to make a profit, we would be in business for at least 5 years and we would only need to make the software since Ford will provide the hardware.

There are a few risk factors that could hinder our business. If Ford were to refuse our contract, we would need to go looking for another motor vehicle company such as GM, which may be a better option altogether. Ford could also try and duplicate our technology, or find a competitor with the same technology if they refuse our contract. Also, if we did sign a contract with Ford, we can expect that another competitor will make a bigger and better system for a competing car company, which would take away from our market share.

References to RFMD acquisition of Silicon Wave:

http://www.wsdmag.com/Articles/ArticleID/8156/8156.html
http://www.palowireless.com/database/siliconwave
http://findarticles.com/p/articles/mi_m0EIN/is_2004_April_22/ai_n5993905//
http://news.cnet.com/8301-1035_3-10392252-94.html
http://online.wsj.com/mdc/public/page/2_3022-autosales.html -
http://www.fordworksolutions.com/Overview
http://www.google.com/patents/about?id=f1kSAAAAEBAJ
http://www.palowireless.com/blueearticles/Bluetoothanalyzercompare1.asp
http://www.msnbc.msn.com/id/26459737/ns/technology_and_science-tech_and_gadgets/
Automobile News (2010-Last Update). [Online]. Available at: http://www.autonews.com/
Ford Work Solutions (2010-Last Update). [Online]. Available at:
http://www.fordworksolutions.com/Products/In-Dash