BionX Case – Executive Brief Presentation

Process

Students, we want to prepare you for success by ensuring that you are on the correct path for the presentation by providing formative feedback on the appendices a week before you begin work on the final analysis.

On April 1, 2017 when you meet with Deanne Butchey, she will walk you through the template/Excel spreadsheet for the five appendices. You will simply need to follow the steps and do the activities/fill in the blanks. You can send these to her by April 8, get feedback so that you can use the information for your final product.

On April 15, 2017 during the morning sessions from 8:30am-12:30pm, each group will prepare a presentation to investors. Every group member will have to take part in the presentation and speak about a section that is at least 3 minutes long. Patrice Bailey will be in attendance and will review your team/individual presentations. Each team presentation should be about 15 minutes long.

Deliverables:
- April 08, 2017 – 11:59pm Appendix in Assignment Dropbox
- April 15, 2017 – 8:00am Presentation in Assignment Dropbox

Task

You and your team-members are consultants to BionX and will present to the Board of Directors about your recommendation for BionX’s financing options.

Details

The company has five options for accessing the next round of financing.

1. External round with new investors
2. Internal round with existing investors
3. Venture debt
4. Strategic partner
5. Initial public offering

Please choose one of the first three options 1-3, and contrast with one of the options 4-5 (Please let Deanne Butchey know your choices before you begin your analysis). In your presentation you will deliver your final recommendation to the board and explain to the members of the board which of the two chosen options you recommend. Provide the reasons for your recommendation.
Your presentation should be supported through **careful analysis and supporting logic** of the following:

**Evaluation of the People, Opportunity and Context Framework**
- What is the nature of the opportunity for BionX?
- What has the company proven since its inception, what remains to be proven?
- Who are the stakeholders (People),
- What is the opportunity (Opportunity),
- What are the major positive and negative external factors that may affect the company (Context)?

**Evaluation of the Business Model**
- How has the company performed financially in the past?
- What is the business model?
- What are the distribution channels, how is the company affected by Government regulation and how is the company reimbursed?

**Evaluation of Challenges in Commercializing the Technology**
- What are the challenges that the company faces?

**Recommendation and Conclusion**
- What are your recommendations?

In your **Recommendation and Conclusion** please make sure you consider and talk about the following:

1. The cash position of the company and its break-even in units;
2. The value of the company using the following methods:
   a. recurring revenue multiple,
   b. EBIT multiple,
   c. cash flow multiple of carefully selected comparable companies.
3. The kind of dilution that can happen given the various financing options?

**Additional Document**

Please prepare an **Appendix** to be delivered to the Board of Directors before your presentation. The Appendix should be submitted to the Assignment Dropbox in Blackboard by April 8, 11:59pm. The Appendix should cover:

- Appendix 1. Estimation of market opportunity
- Appendix 2. Breakeven Analysis
- Appendix 3. Unit cost breakdown
- Appendix 4. Dilution Analysis (given your two choices of financing)
- Appendix 5. Multiples valuation and Venture Capitalist Ownership Required