

# Online Services and Web 2.0 Market – assessment of project impact

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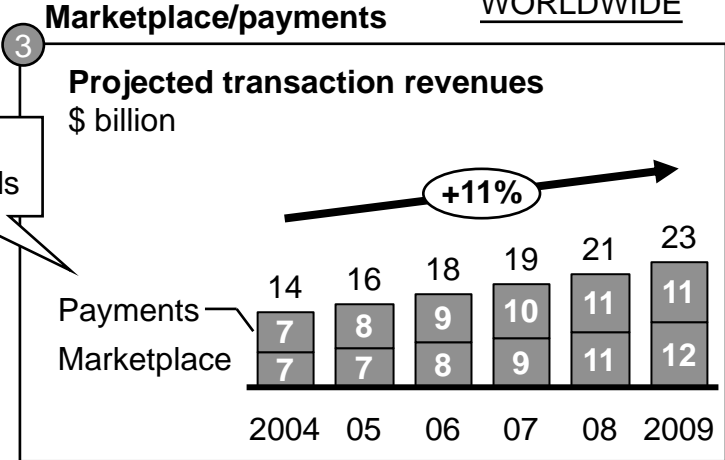
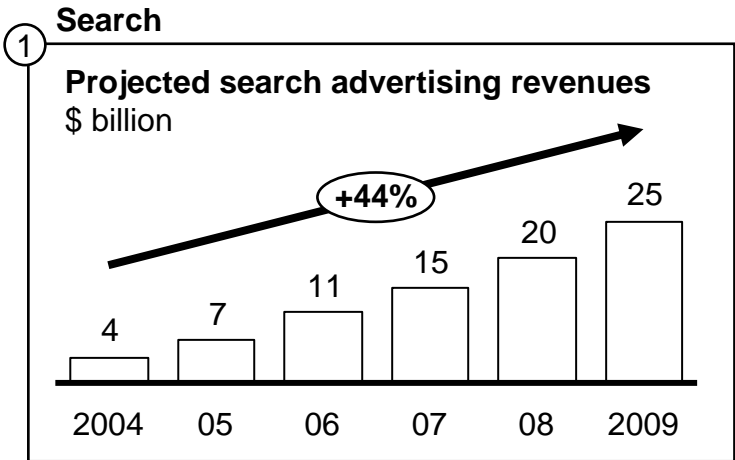
- **Overview**

- Service-by-service deep-dive
  - Search
  - Community and communications
  - Marketplaces/payments
  - Digital entertainment (premium content distribution)
- VC project assessment

# ONLINE SERVICES: MOST VALUE IN ADVERTISING AND MARKETPLACES/PAYMENTS IN CONSUMER MARKET

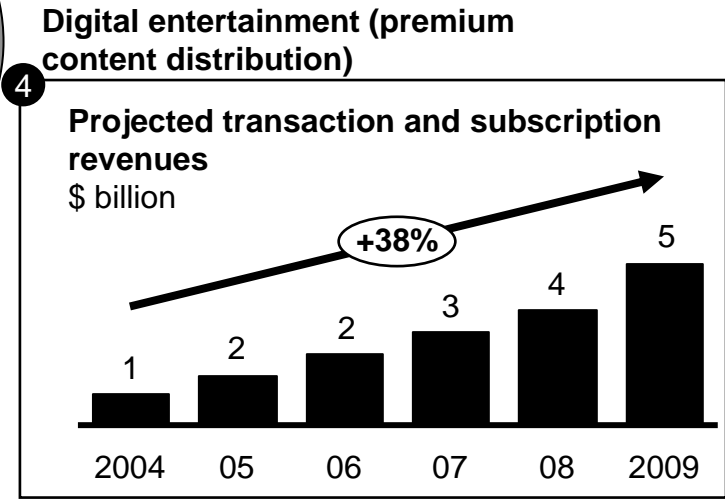
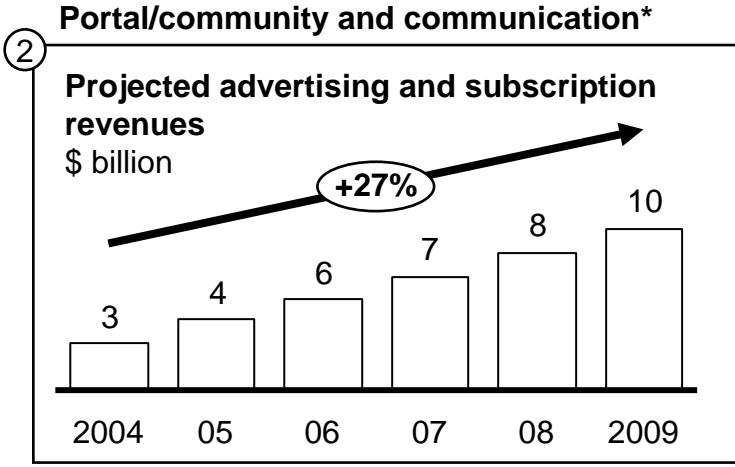
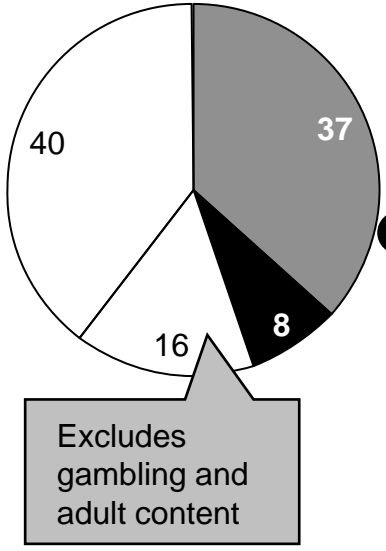
- Search
- Community & communication
- Marketplace/payments
- Digital entertainment

WORLDWIDE



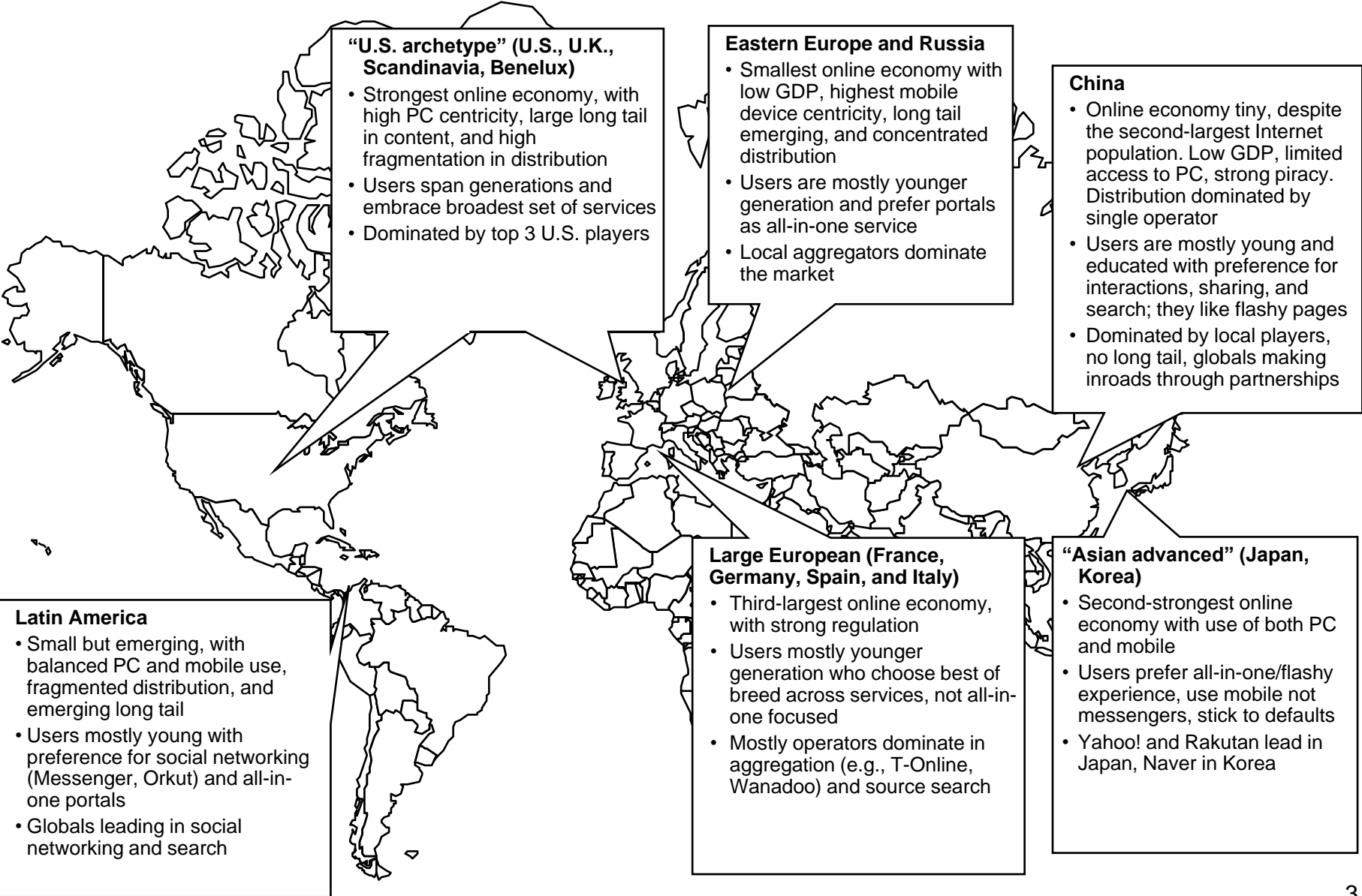
Includes credit cards

**Online services projected revenue, 2009, %**  
100% = \$64bn

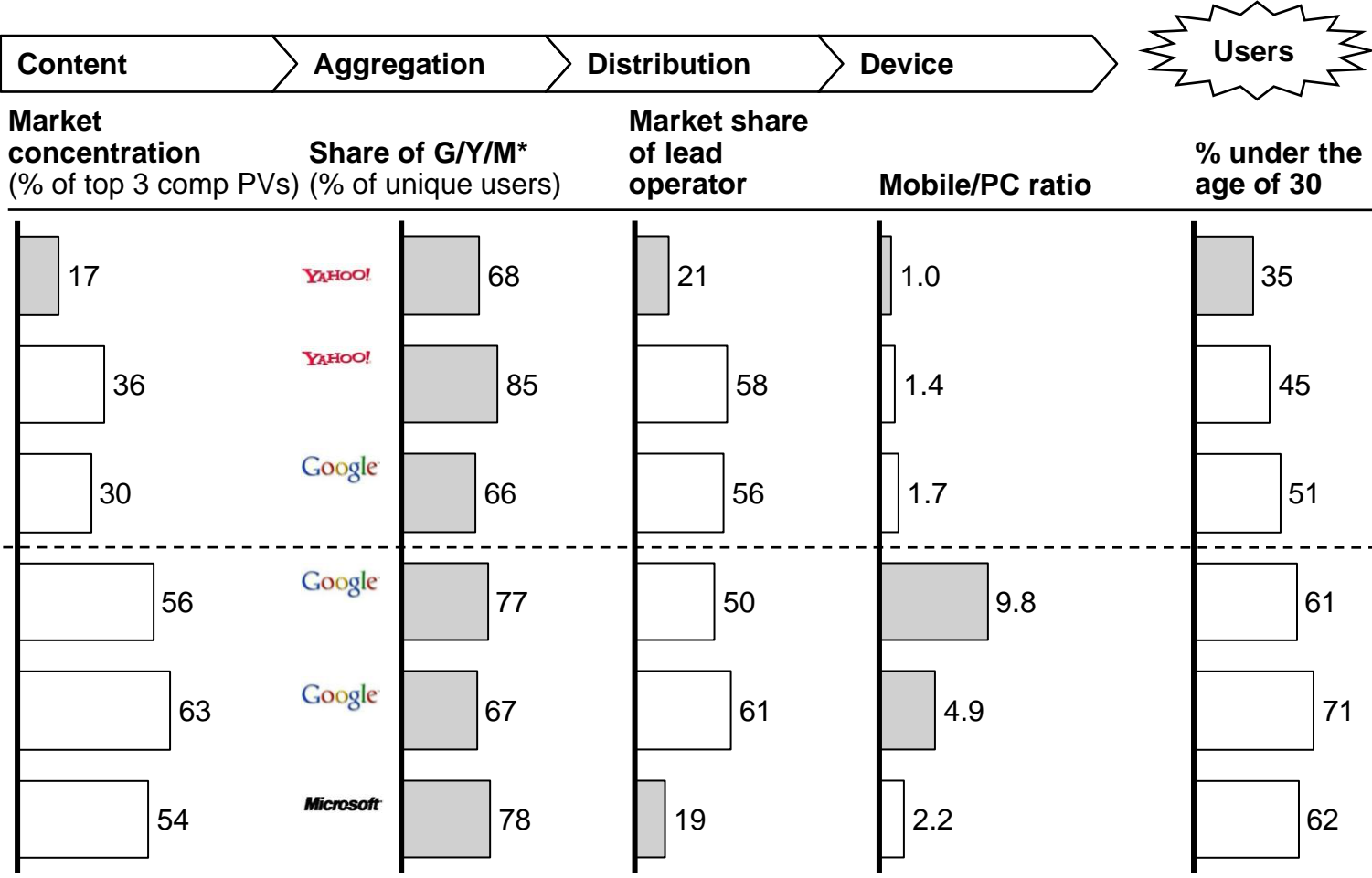


\* Includes display, contextual, and e-mail advertising. Excludes revenues from VoIP services, such as Skype (\$116mn annual revenue projected from 78 days of operation within eBay)

# HOW OPPORTUNITIES DIFFER ACROSS GEOGRAPHIES



# DESPITE DIFFERENT INDUSTRY STRUCTURES, GLOBAL PLAYERS DOMINATE IN ALL MARKETS



- Largest long tail in U.S. archetype
- Small long tail in emerging markets

- G/Y/M successful globally
- Different propositions needed

- Dominant operator, except U.S. archetype and LatAm
- 3G available, except in China

- U.S. archetype only PC-centric, the rest mobile-centric, with extreme in Eastern Europe and China

- The less mature the markets, the younger the population

\* Shows market share of best performing out of Google, Yahoo!, and Microsoft (G/Y/M)

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# SEARCH HAS EVOLVED SIGNIFICANTLY OVER THE PAST DECADE

1996      1997      1998      1999      2000      2001      2002      2003      2004      2005

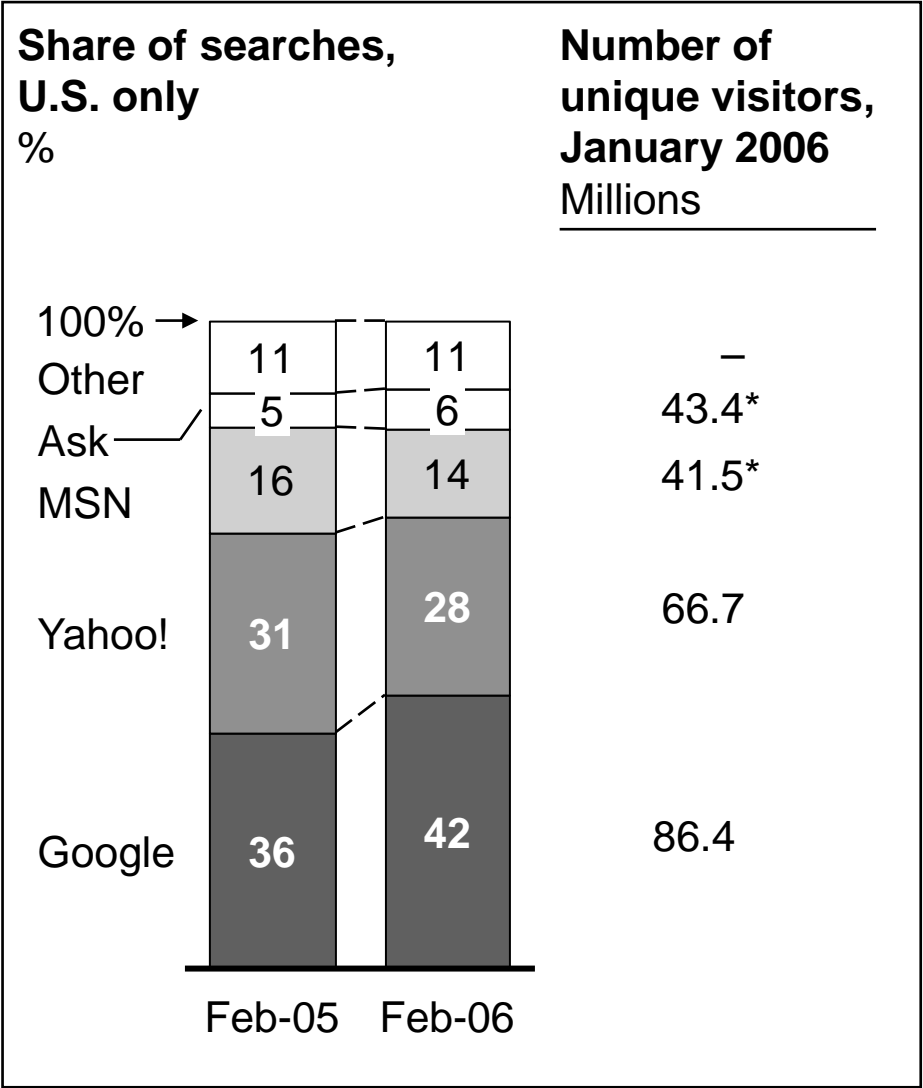
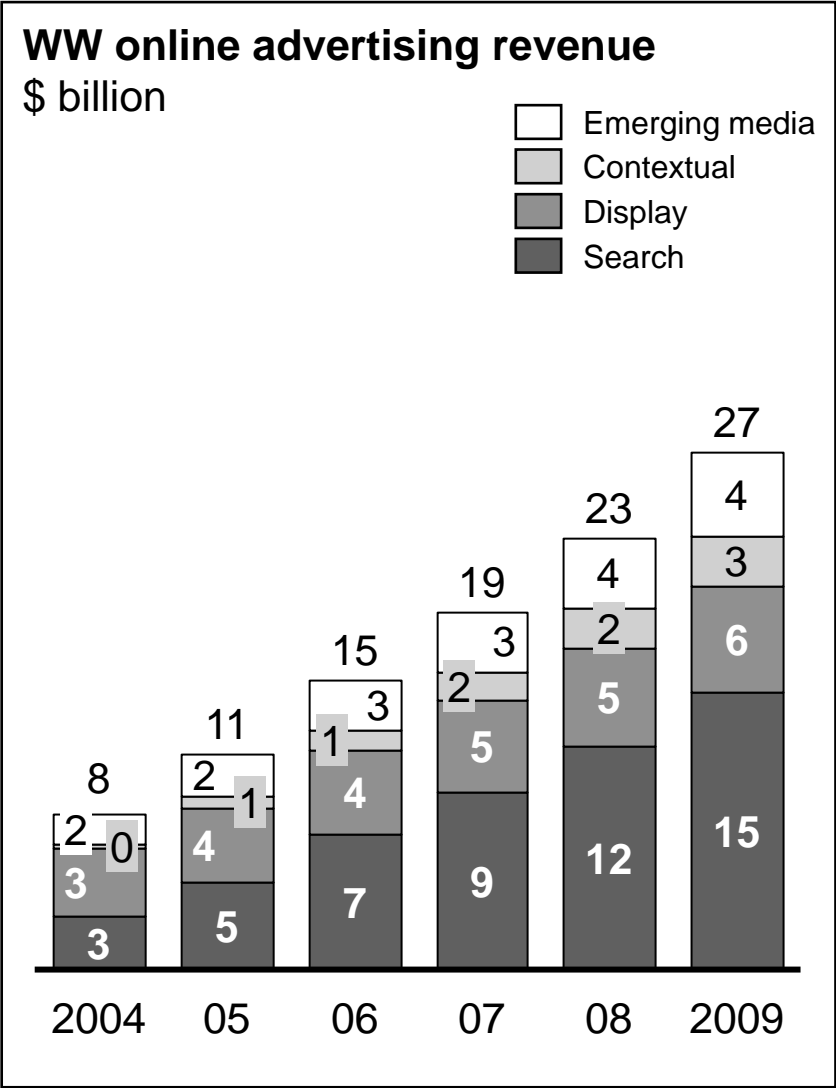


<b>What</b>	Labor-intensive indexing of Web information	Extend keyword search to page contents	Generate relevant results on front page	Generate relevant ads that capture user intent	Extend search to new domains (content and platform)
<b>How</b>	Automatically (crawl) indexes page titles; manually created directory based on page contents	Automatically indexes entire textual content of Web pages and return results occurrence of search keyword in text	Rank search results according to quality and number of incoming hyperlinks. The quality of a link is in turn determined by the importance of the page that sources the link	Rank advertisements for a search keyword based on: <ul style="list-style-type: none"> <li>• Self-declared relevance via keyword auction</li> <li>• User-declared relevance via click-through rate</li> </ul>	Automatically index more content <ul style="list-style-type: none"> <li>• Bring traditionally offline content online</li> <li>• Search across new types and repositories of digital content (e.g., video, desktop search)</li> </ul>
<b>Who</b>	Archie Gopher WebCrawler Yahoo! Directory	Altavista Excite Lycos Inktomi	Google	Overture Google	Google Yahoo! MSN

Note 1: Each phase of evolution post algorithmic full-text search builds upon the previous technology, rather than replacing it

Note 2: Only the innovators/leaders are noted in the “Who” category

# SEARCH IS THE LARGEST ONLINE AD REVENUE POOL, DOMINATED BY GOOGLE





# MANY INNOVATION EFFORTS GOING ON TO CHANGE THE WAYS PEOPLE SEARCH

## Innovation category

## Description/examples

## Startup companies

### Global search

- Recommendations: Show related query terms
- Multimedia search: Find similar images (black and white portrait)
- Relevance: Find multiple results that are together linked to user intent, answer questions directly

- Exalead
- Cydral (image input)
- Devilfinder (image and video search)
- Omnipelagos
- Factbites
- Brainboost

### Vertical search

- Return highly relevant results in defined category
- Allow users to define own vertical
- Allow users to specify input and receive output in manner highly tailored to domain
- Organize general search by categories

- Kosmix (health, user-defined)
- Choogle (chemistry)
- Indeed.com (jobs)
- Goshme (multi-vertical)
- Vivisimo, Clusty (organize general search)
- Dumbfind (keyword search constrained with tags)
- Questia (humanities/social sciences)
- Omnimedicalsearch
- Zoominfo (people)

### Social search

- Return results from/about users within a few degrees of separation in social networks
- Return analytics on blogs (e.g., citation frequency over period of time)
- Search discussion forums with deep understanding of structure of message boards
- User-driven results generation

- Dodgeball (acquired by Google)
- Technorati, Feedster, Blogpulse, Icerocket.com (blogs)
- Omgili.com (discussion boards)
- Naver (user answers)
- Pixsy (search images in social networks)

### Local search

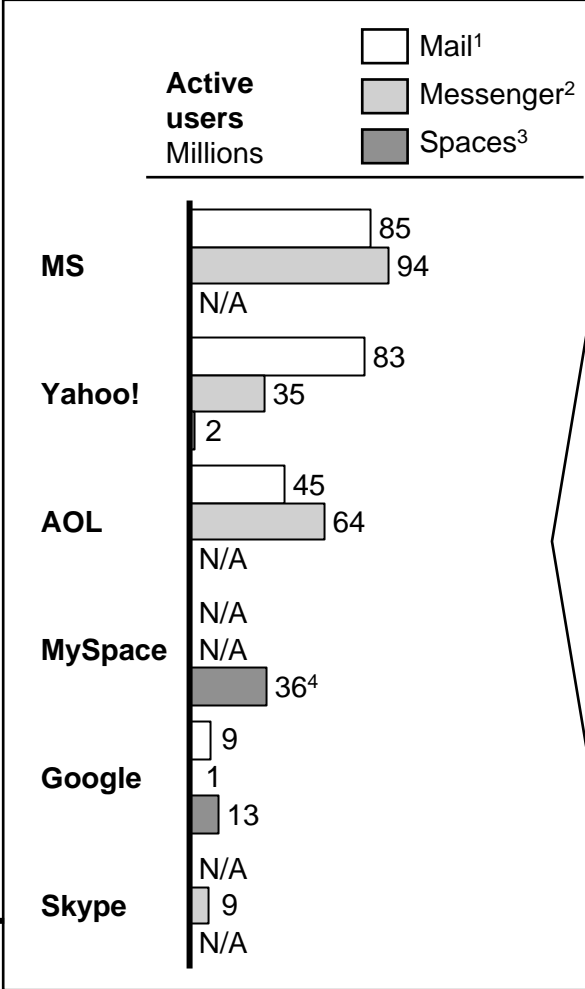
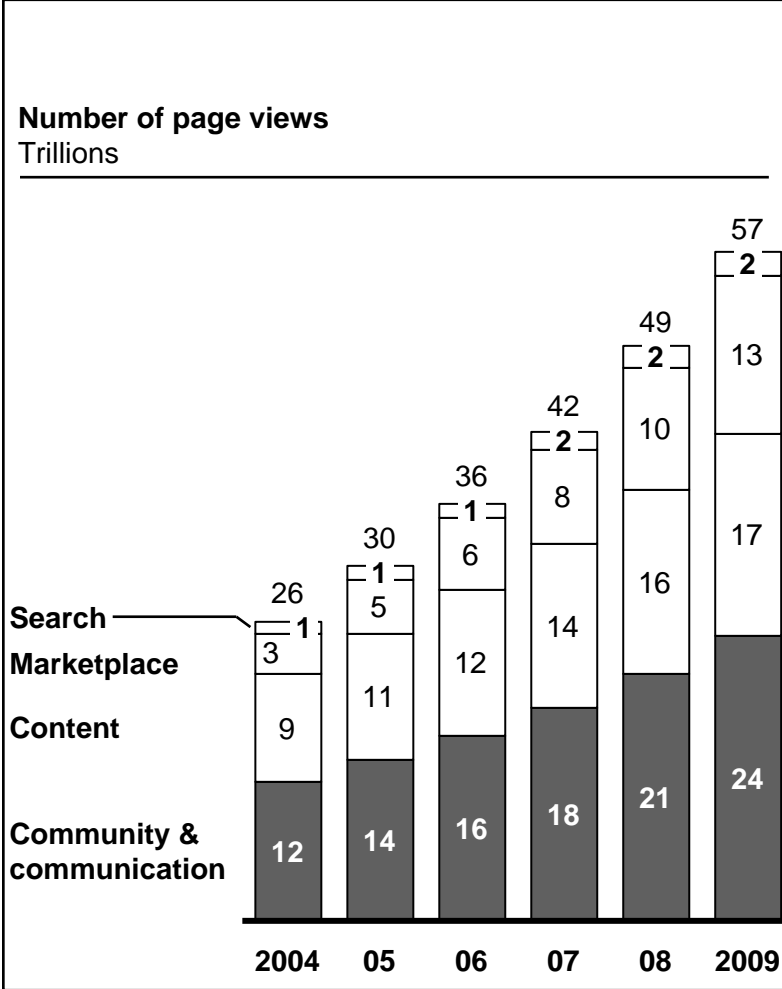
- *Local search requires scale of investment that restricts innovation ability to large players*

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# COMMUNITY/COMMUNICATION SERVICES ARE THE LARGEST VOLUME GENERATOR WITH A SIZABLE AND WELL-PROFILED AUDIENCE...

WORLDWIDE



**Key market shifts**

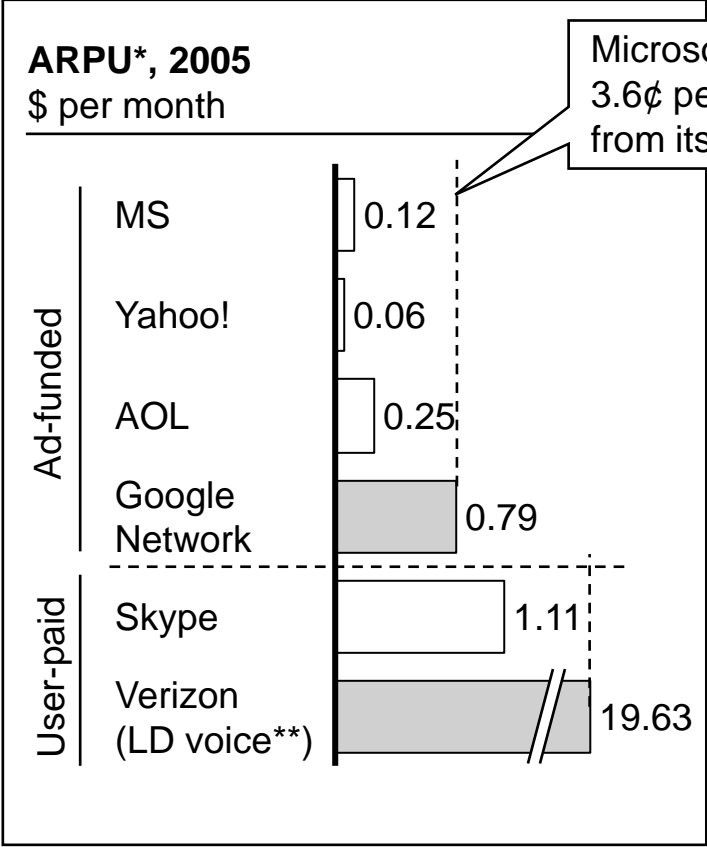
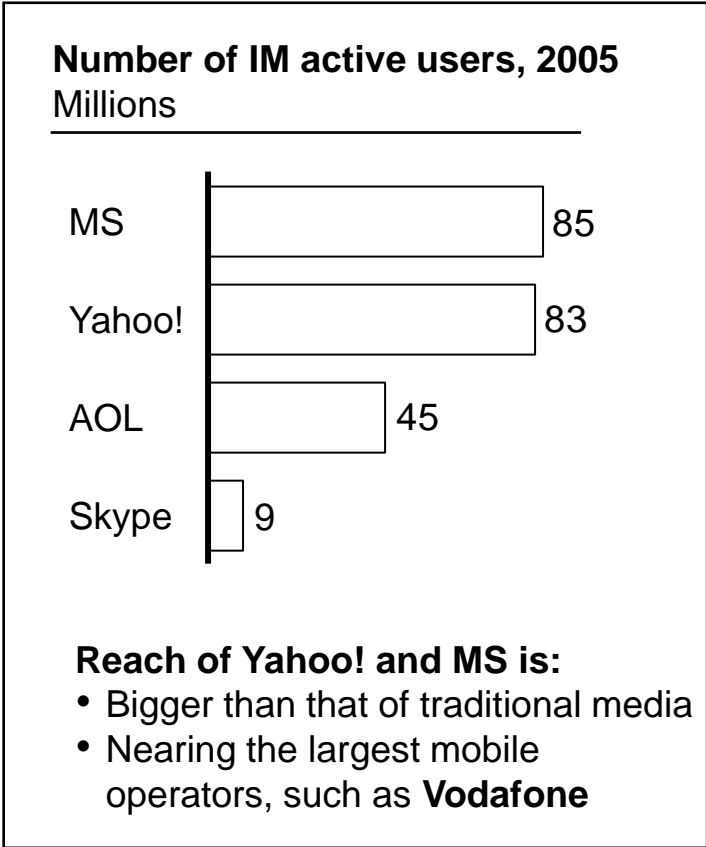
**Deeper user engagement and experience**

- Cross-cutting: Potential for new social software (user-created content management and IM/e-mail integration)
- IM/e-mail:
  - IM shift to interoperability (Yahoo! and MS, Google and AOL, and small IMs),
  - E-mail, VoIP, IM integration
  - Shift to platform with APIs
  - Voice moving to video
- Spaces: Fastest-growing disrupting e-mail/IM status quo; new storage and P2P scenarios emerging

1 As of December 2005  
 2 As of March 2006, except Skype which is based on usage in September 2005  
 3 As of December 2005  
 4 U.S. only

# ...BUT MONETIZATION OF SOCIAL NETWORKS REMAINS AN UNSOLVED ISSUE

WORLDWIDE  
 □ IM provider  
 ■ Benchmark

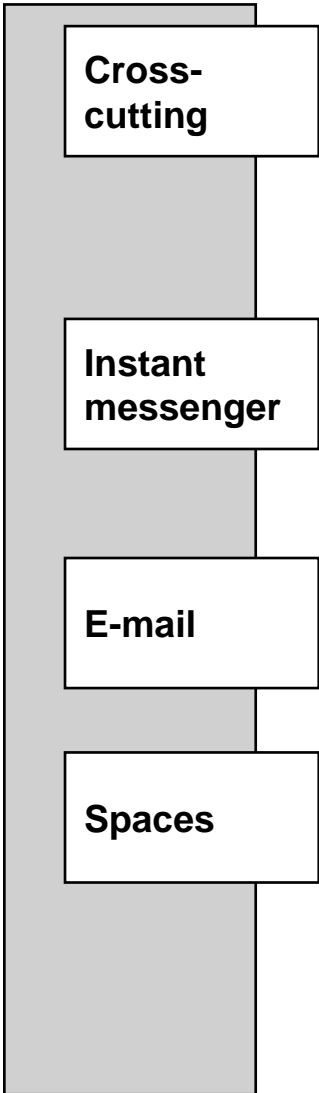


- **Monetization of social networks remains an unsolved issue**
- **Skype is ahead of others only because of VoIP monetization**, but it is still far from tapping the potential (mostly from a lack of devices stimulating cord-cutting)

\* Revenues based on display ads on e-mail properties, except for T-online and Skype. Skype revenues based on 78 days of operation under eBay

\*\* Long distance fixed-line voice ARPU

# COMMUNITY AND COMMUNICATIONS OPPORTUNITIES FOR ONLINE PLAYERS



## Opportunities

---

- Increased usage through:
    - Distribution to mobile
    - Integrated social software for communications, sharing, creation, integration, and management of user-generated content
  - Monetization through distributing search
- 

- VoIP monetization
  - Stimulation of contacts/referrals growth through mobile-to-PC scenarios
  - Converting IM into platform to enable third parties to build own niche IMs with access to MS user base
- 

- Monetization through seamless contextual advertising as valuable information to the user
  - Stimulation of contacts/referrals growth thru mobile-to-PC scenarios
- 

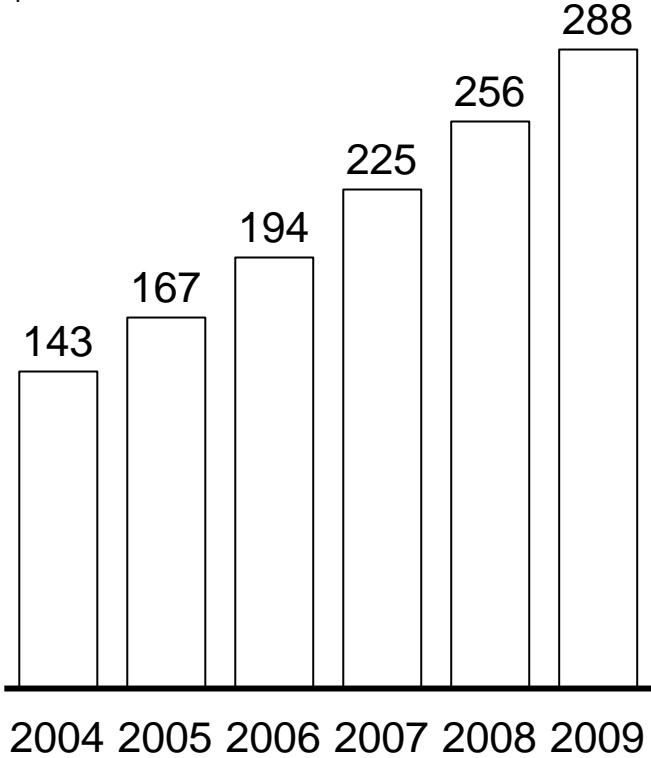
- Increased usage through:
  - Personal scenarios – access own data and applications anywhere (storage, p2p services)
  - Sharing scenarios – mobile/portable-to-spaces referrals/contacts
- Monetization through:
  - New ad vehicles focused on brand advertisers (e.g., group contextual videos/music ads, tag insertions, insertions into videos/audio)
  - Commerce to public (e.g., micro-payment scenarios on both mobile and PCs)

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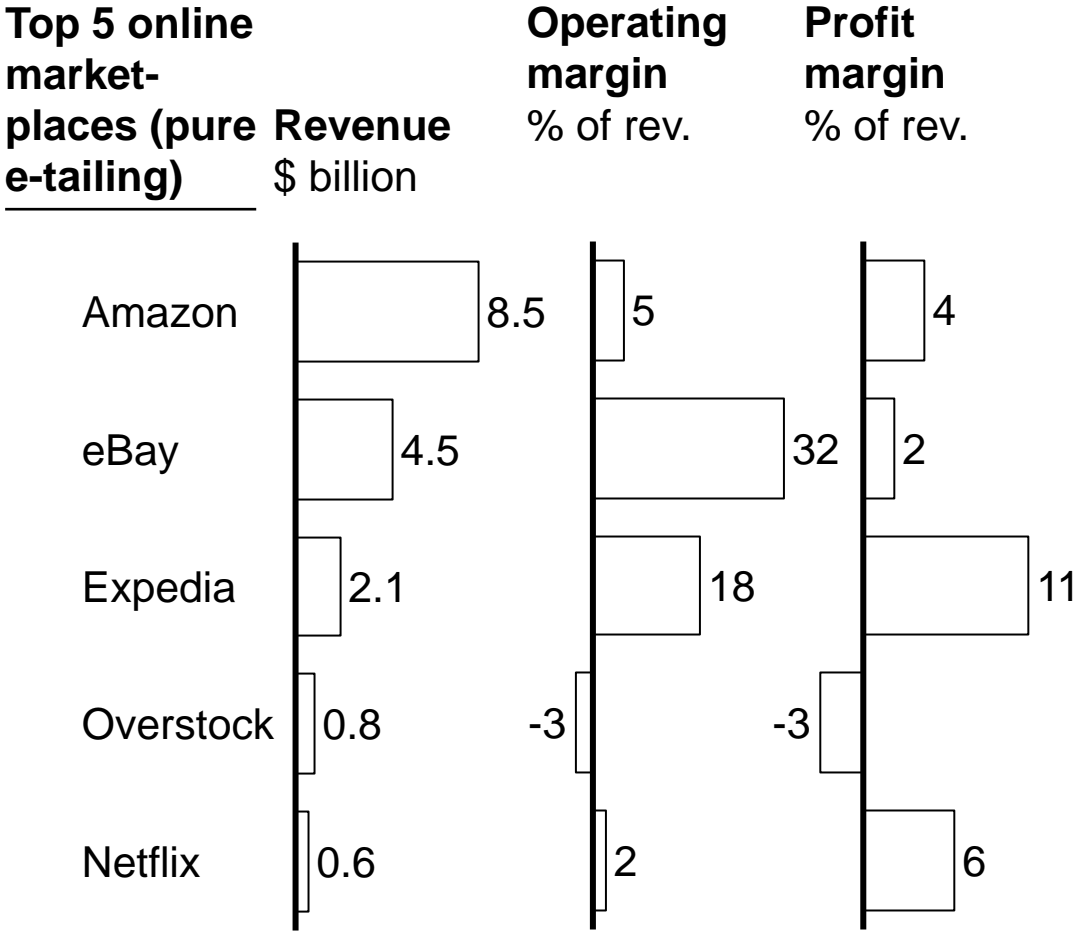
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# MARKETPLACES HAVE THE BIGGEST POOL OF REVENUES ON THE INTERNET TO DATE

**U.S. online spend, volume**  
\$ billion

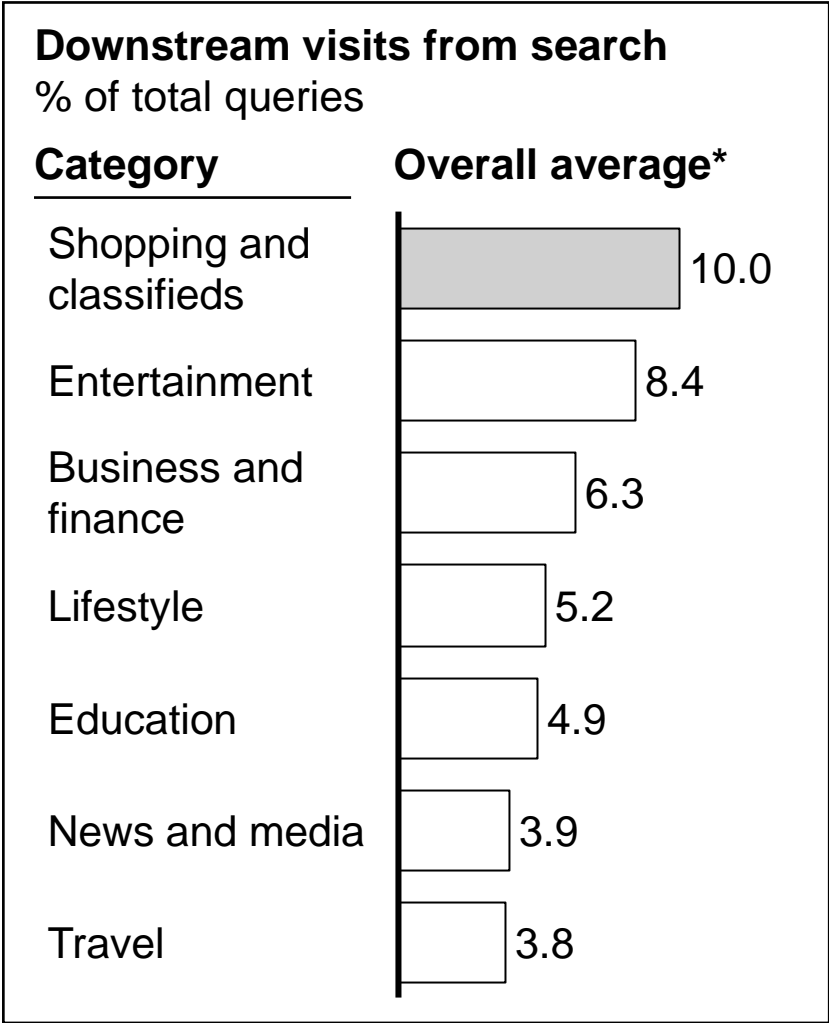


**Top 5 online marketplaces (pure e-tailing)**

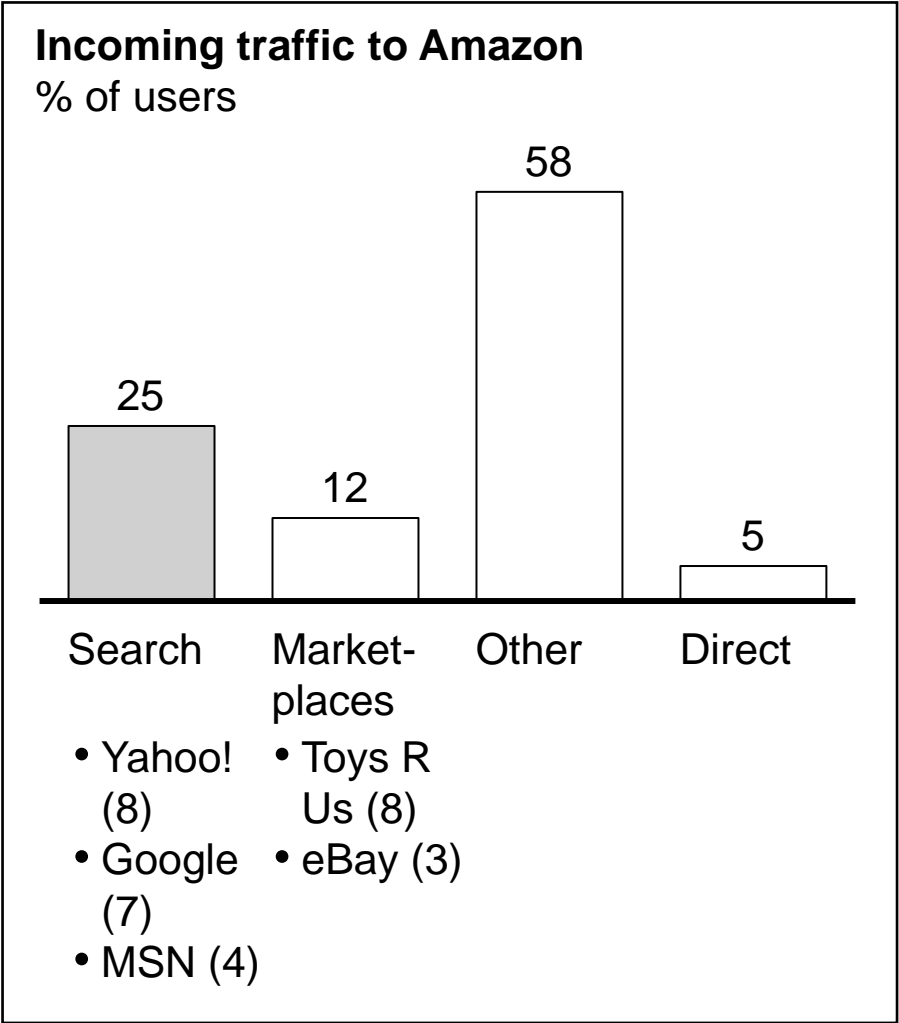


# MORE USERS START SHOPPING AT SEARCH

Shopping is the most frequent reason for using search



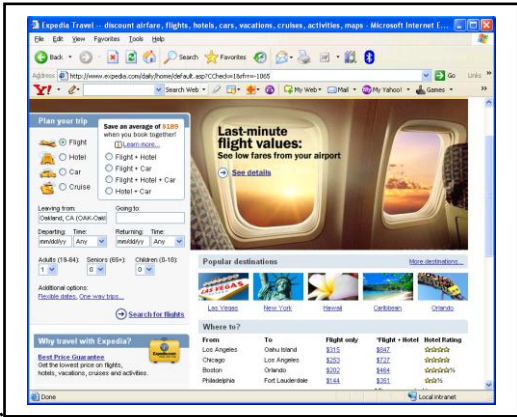
Search is the largest traffic vehicle for marketplaces





# VERTICALS ARE GROWING FAST AND DELIVER A DEEPER USER EXPERIENCE

Verticals	Total revenues \$ million	CAGR 06-11 %
Expedia	2,120	13
Drugstore.com	399	10
iTunes	750	14
Blue Nile	218	18
Newegg.com	~1,000	12



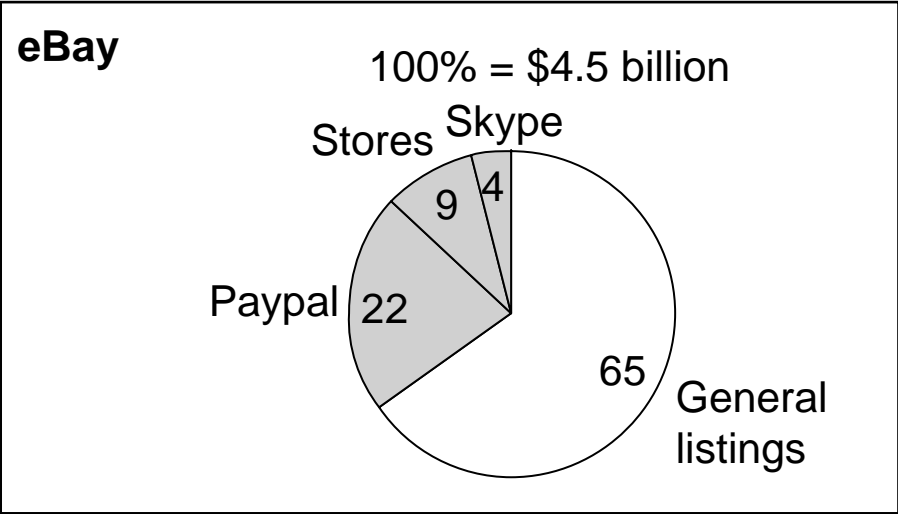
## Key experience elements

- Comparative shopping, ratings, customer reviews, location details
- Information, order forms, and flows organized to fit travelers' shopping behavior
- Customized vacation and travel deals, suggestions
- Travel record tracking
- Personalized play lists and recommendations
- Customer reviews and top customer download stats
- Favorite artists' videos and profiles
- Broadest selection of music

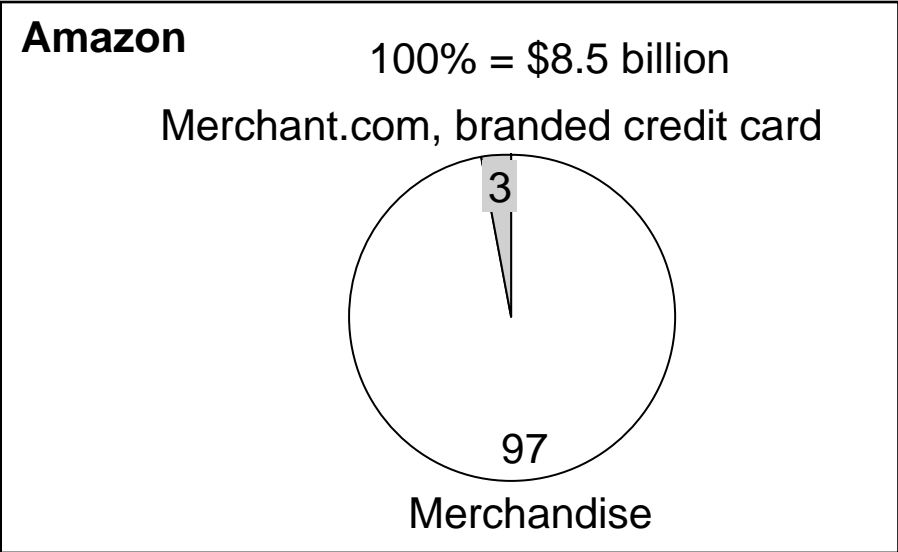
Sources: Hoovers; Bear Stearns; team analysis

# AMAZON AND EBAY DIVERSIFYING SO NOT TO DEPEND ON SINGLE REVENUE POOL

## Revenue breakdown (%)



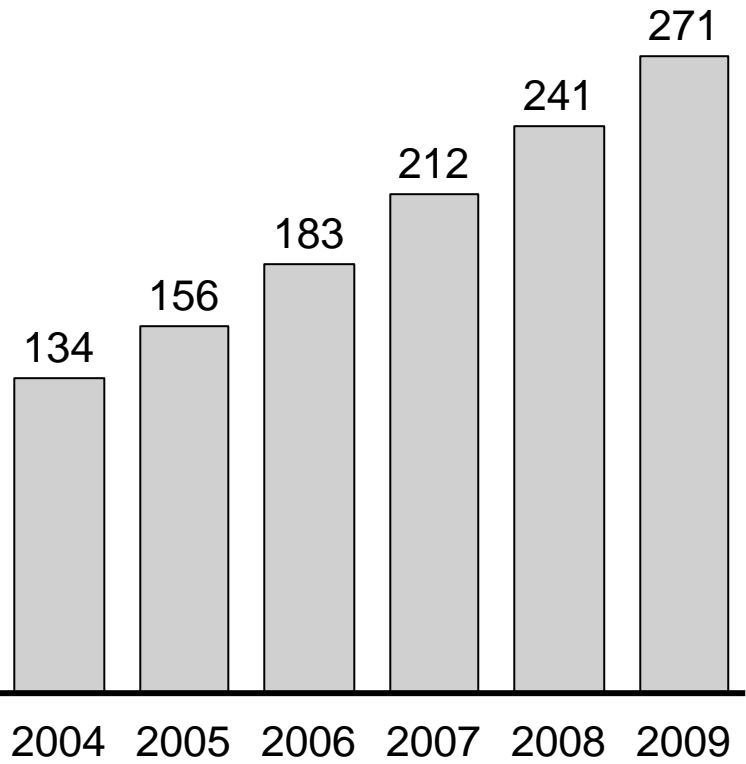
- Core business from general listing transactions
- Expanded to
  - Storefront (stores)
  - Payments (Paypal)
  - Communities and VoIP (Skype)



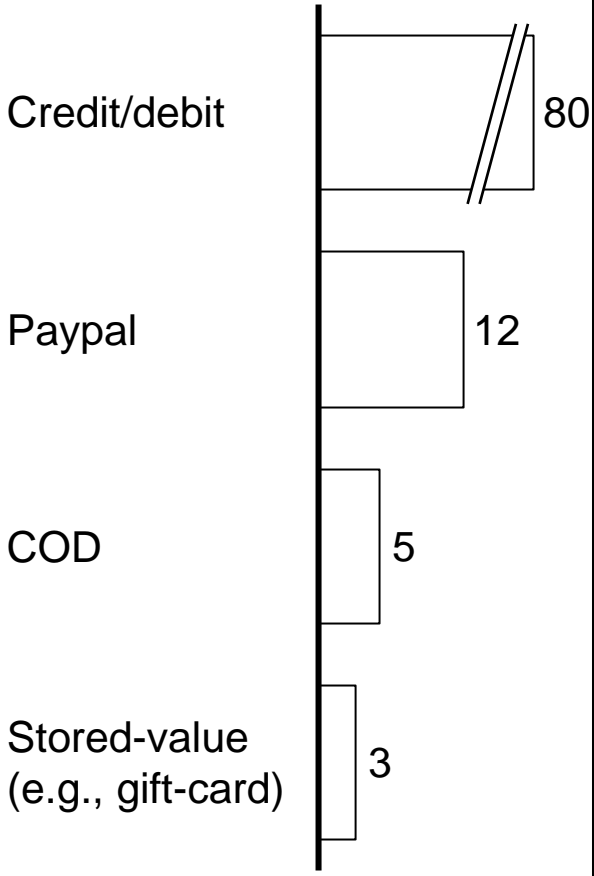
- Core business from merchandise sales
- Expanded to salesfront (Merchant.com)
- Moving to search (A9)

# PAYMENTS IS BIG BUT DIFFICULT TO ENTER

**Payments**  
\$ billion



**Market share of online transactions (2005, %)**

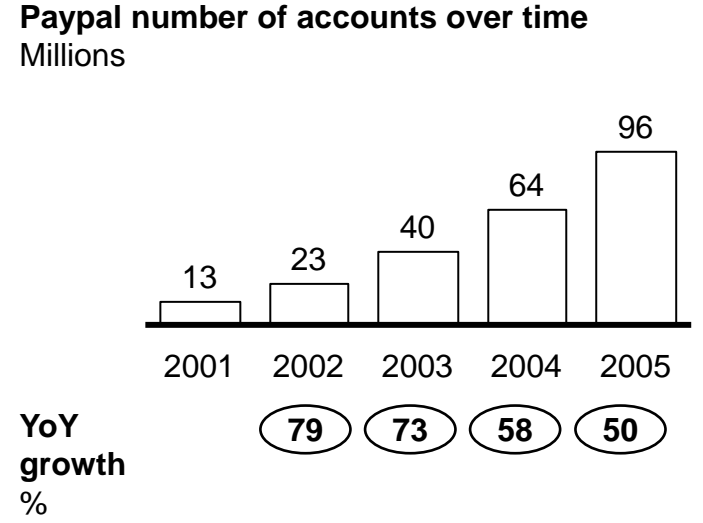
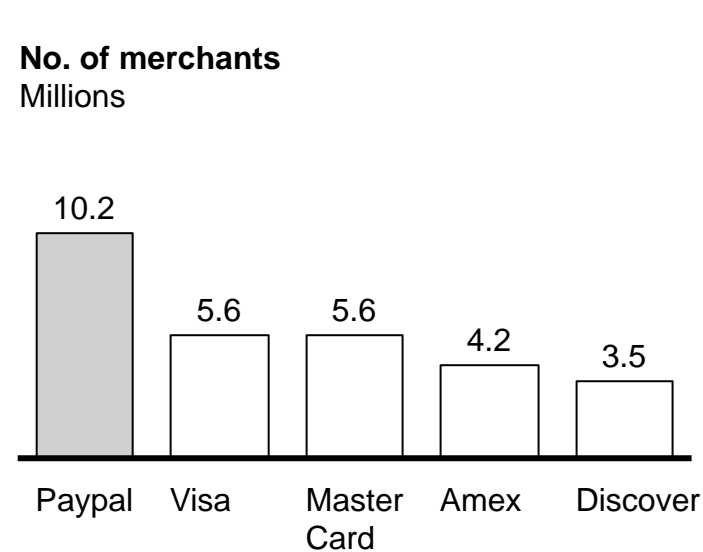


**Key market forces**

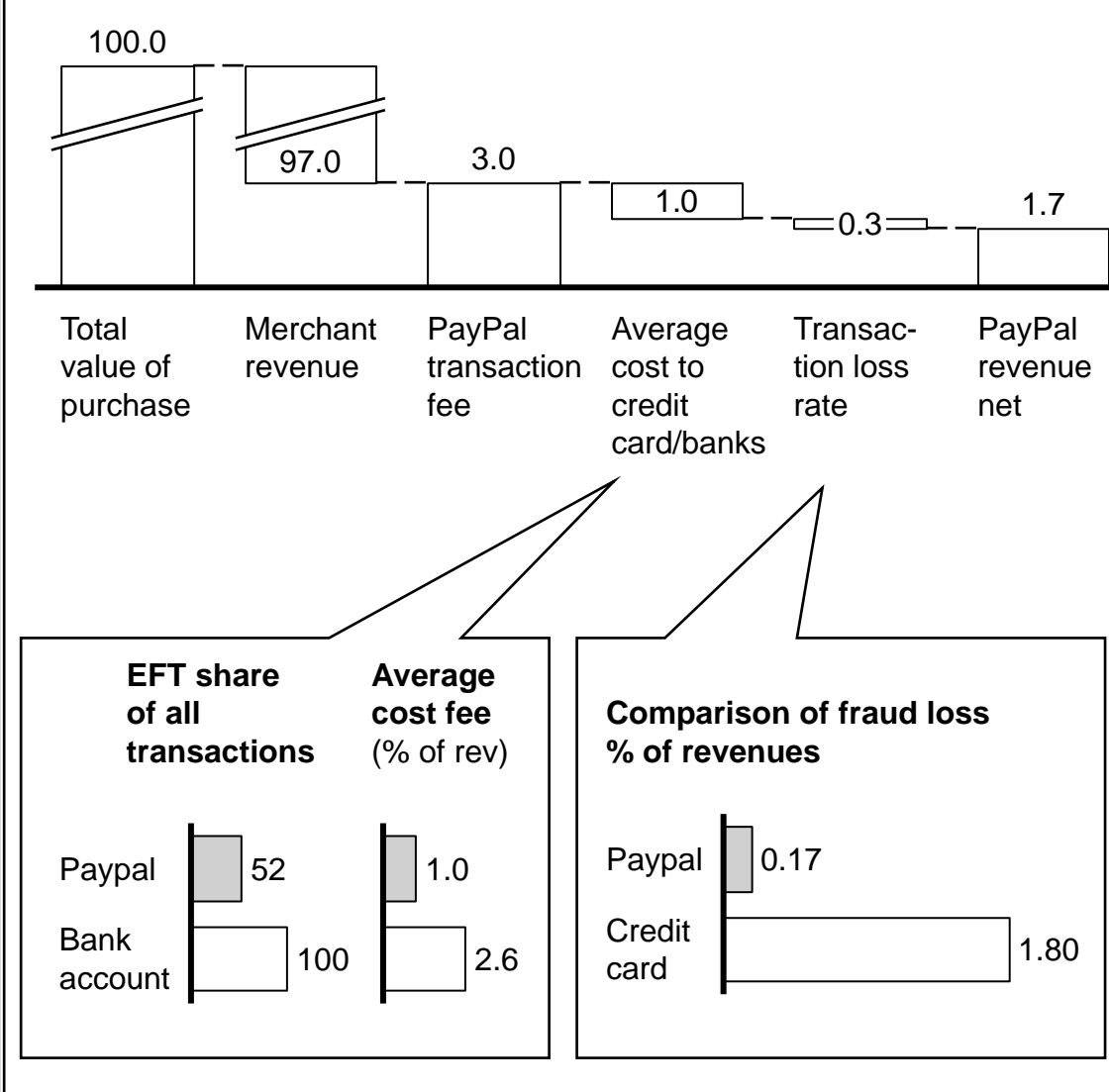
- Payments shifting to mobile (e.g., Paypal announced mobile payments recently), opening door for:
  - Offline payments to online provider
  - Micropayments
- Visa/Mastercard investing into online payments (e.g., fraud mgmt.)
- Mobile operators eyeing the opportunity

# ECONOMICS OF PAYMENTS CRITICALLY DEPENDS ON TRAFFIC AND FRAUD MANAGEMENT: PAYPAL EXCELS IN ALL THREE

Paypal traffic



Paypal economics



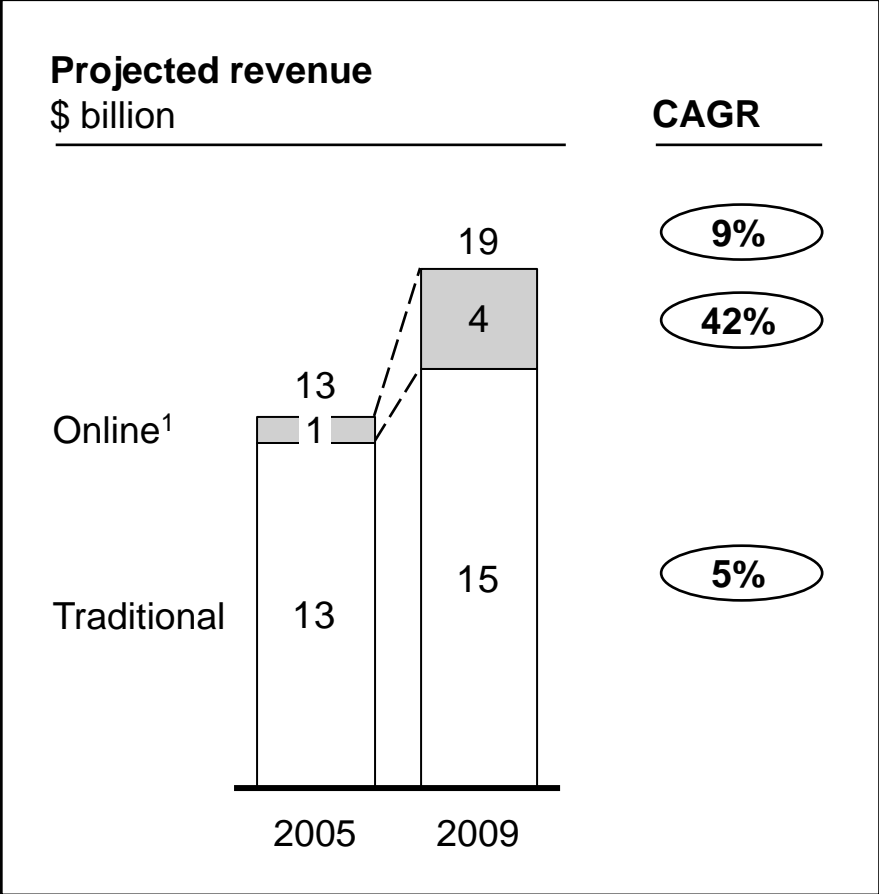
Source: eBay company reports

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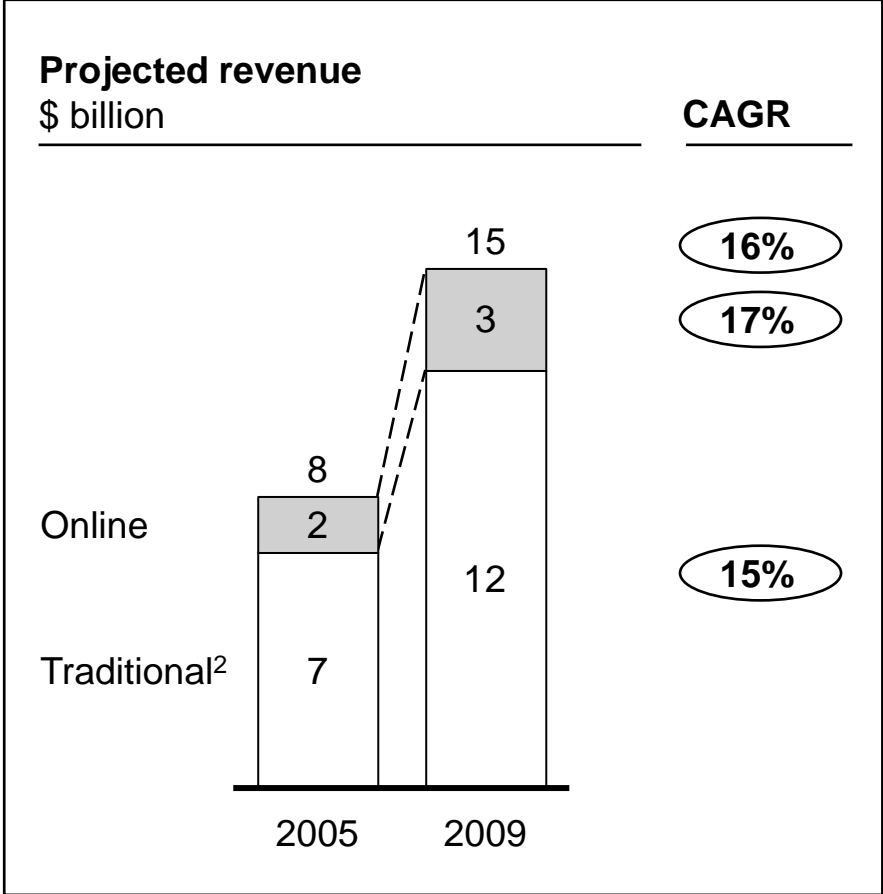
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# DIGITAL ENTERTAINMENT IS GROWING RAPIDLY BUT IS STILL SMALL RELATIVE TO TRADITIONAL ENTERTAINMENT

## Music



## Video games



1 Includes music downloads and subscription

2 Based spend on filmed entertainment (excl. cinema and TV rights), music, and video games

# DIRECT UGC REVENUE WILL LIKELY REMAIN SMALL ...

YOU TUBE EXAMPLE,  
ROUGH OUTSIDE-IN ESTIMATES

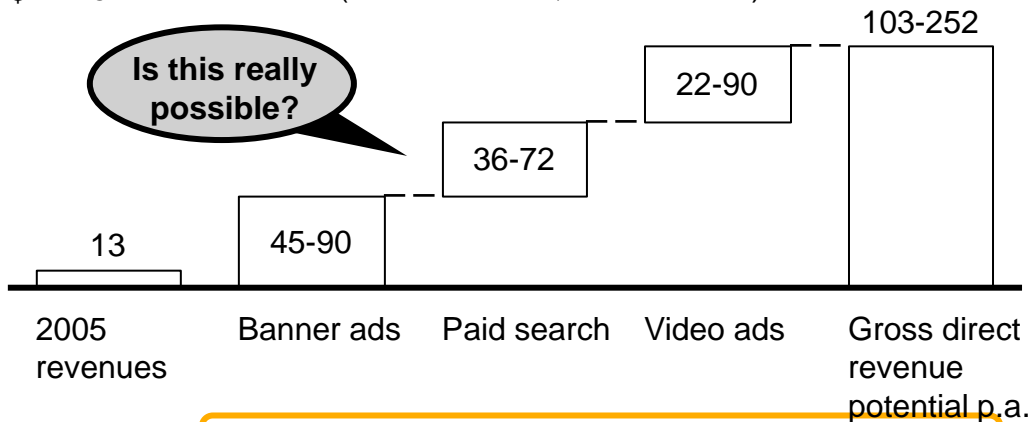


- 2005 revenues estimated at \$13 million
- Strong user growth to ~ 27 million in the U.S. (plus ~ 40 million outside of U.S.) – but signs of a slowdown in user growth in 3Q 2006
- 50-100 million videos streamed per day, estimated streaming costs \$10-\$25 million p.a.
- No clear business model
- Substantial legal risks

Google acquires YouTube  
for \$1.65 billion in October

## Possible motivation/justification

- **Strategic move**
  - Gaining control over significant share of Internet traffic with "sticky" users
  - Foreclosure of Yahoo! as key competitor
  - Establishing Google as universal content portal
- **Potential standalone profitability**
  - Belief in strong further growth and monetization potential
  - Potential revenue sources from traffic (36-72 billion page views p.a.) and video views (18-36 billion p.a.)
    - Banner ads (2 ads per page, 25% utilization, CPM \$2.50)
    - Paid search (25% of pages, click-through rate 2%, cost per click 20¢)
    - Stream video ads (25% utilization, CPM \$5-\$10)



### Key questions

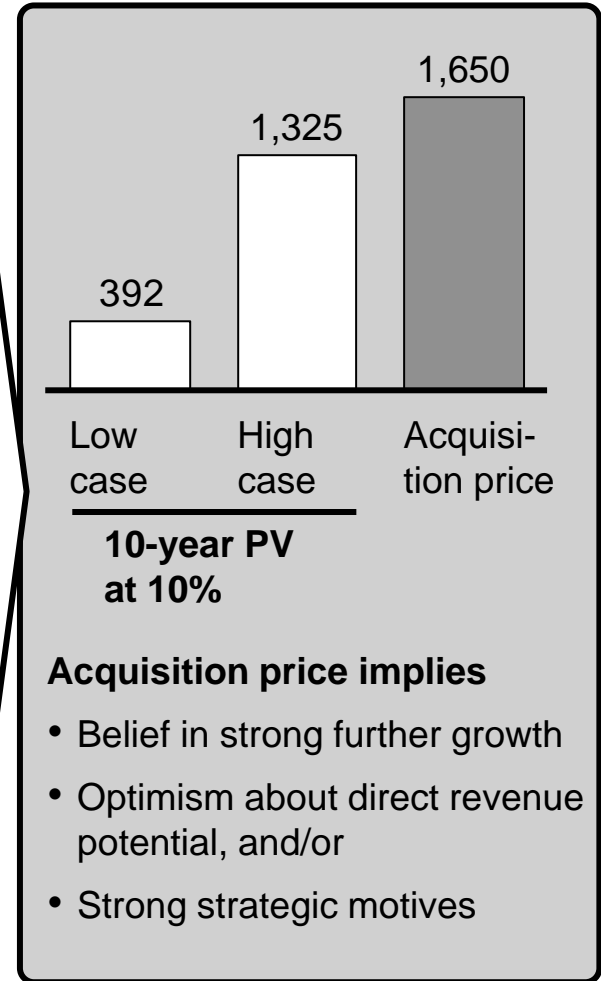
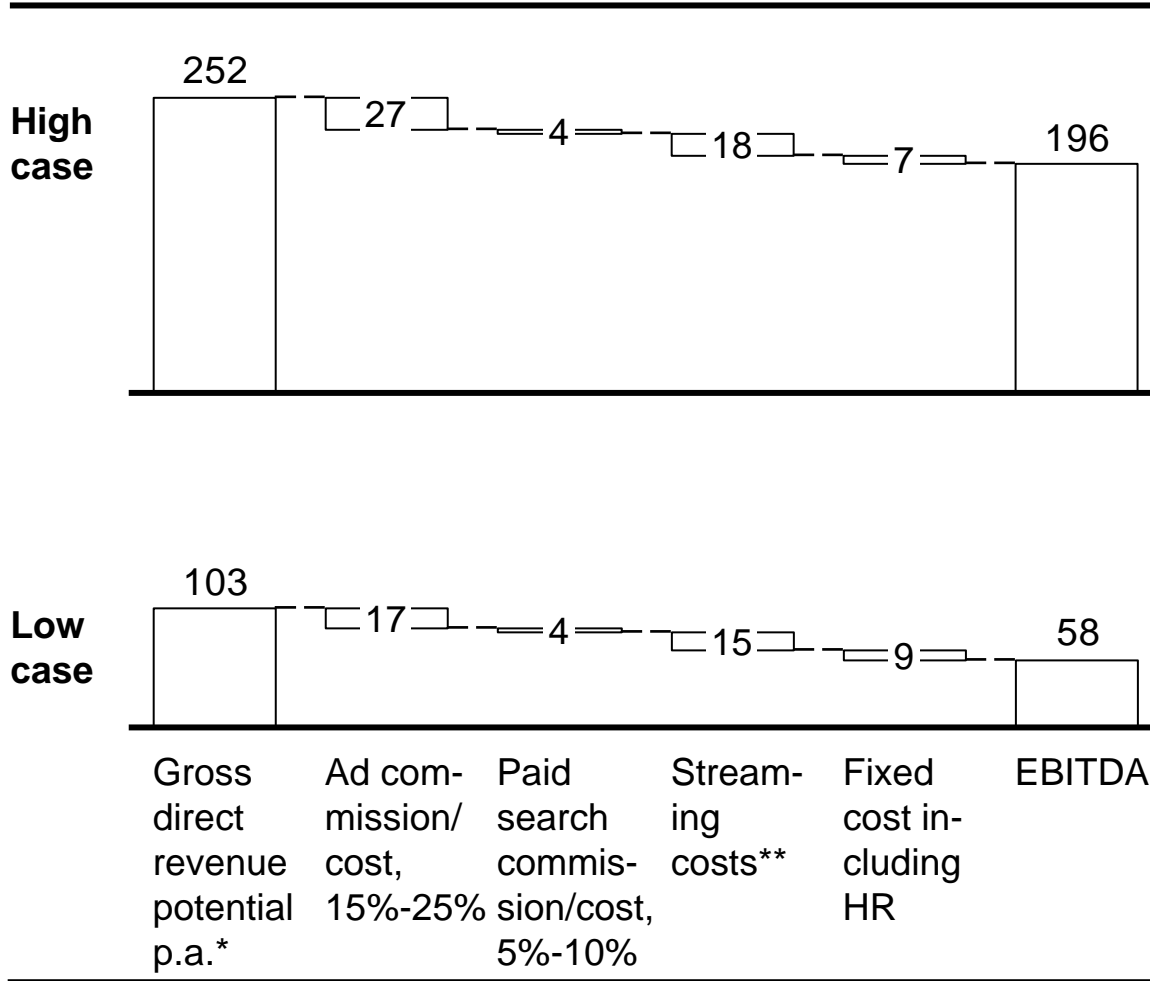
- Effective monetization potential of UGC
- Relevance of strategic vs. cash value
- Effect on traditional players (e.g., TV broadcasters)

Sources: Nielsen; press clippings; team analysis

# ... MAKING THE YOUTUBE ACQUISITION SEEM OPTIMISTIC

ROUGH  
OUTSIDE-IN ESTIMATES

\$ million



\* Banner ads, paid search, video ads

\*\* \$0.50-\$0.84 per 1,000 streams

Source: Team analysis



# YOUTUBE'S "UNDERGROUND" CONTEST OFFERS WINNERS AIR TIME ON TV, LEVERAGING PARTNERSHIPS TO CREATE STRONG INCENTIVES FOR ACTIVE USERS

- YouTube contest for unsigned U.S. bands
- Collaboration with Cingular, ABC, and other partners
- 125,000 hits for promotional video within hours of announcement
- More than 2,000 entries in 2 weeks

The image shows a screenshot of the YouTube website's 'Underground' contest landing page. At the top, the YouTube logo is followed by the tagline 'Broadcast Yourself'. Navigation links include 'Sign Up', 'My Account', 'History', 'QuickList (0)', 'Help', and 'Log In'. A search bar is present with the text 'Search for' and a 'Search' button. Below the navigation bar are tabs for 'Home', 'Videos', 'Channels', 'Groups', 'Categories', and 'Upload'. Underneath these are sub-links: 'Featured', 'Recently Added', 'Most Members', 'Most Videos', 'Most Discussions', and 'Colleges'. The main content area features a large graphic for the 'YouTube UNDERGROUND CONTEST' presented by Cingular. The graphic includes the text: 'THOUSANDS WILL ENTER. MILLIONS WILL VOTE. FOUR WILL WIN.' and 'NOW accepting submissions!'. A prominent button says 'SUBMIT YOUR BAND!' with a green arrow pointing right. Below this, it states 'entry deadline: OCT. 18'. At the bottom of the graphic, it says 'SEE WHAT'S BEEN ENTERED SO FAR' with a red arrow pointing right. To the right of the graphic is a video player showing a band performing on stage. Below the video player, it says 'PRESENTED BY cingular raising the bar...all™'. At the bottom, it lists 'PRIZES PROVIDED BY' with logos for 'Gibson PURE', 'GOOD MORNING AMERICA', and 'CHOP SHOP MUSIC SUPERVISION'.

# NBC AND YOUTUBE JOINED FORCES FOR A VIDEO CONTEST TO PROMOTE "THE OFFICE"

## Contest

- **Task**
  - Create your own 20-second "The Office" promotional video
- **Rewards**
  - Winning entries shown during "The Office" in August
  - Finalists on nbc.com, all entries on YouTube
- **Rules**
  - Entries to be uploaded to YouTube from June 26 to July 21, 2006
  - No actual footage from the show to be used, yet some graphics and music are provided
- **Promotion**
  - TV campaign on NBC during first 3 weeks of contest
  - Promotional video on YouTube

## Web site on nbc.com

Direct link to YouTube

the office / YouTube create your own promo contest.

main YouTube

Congratulations to all the YouTube/Office Promo Contest finalists! Check out all their clips below...

FIRST PLACE  
by Elliot Diviney

SECOND PLACE  
by Chris Mundell

THIRD PLACE  
by Tony Altieri

by Bradley Herbert  
Louisville, TN






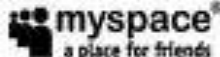




369 videos entered

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- VC project assessment

# TOP USER GENERATED MEDIA – VC INVOLVEMENT (1/3)

	Country	Type of blog	Short description
	• USA	• Commerce	• Originally, eBay Inc. (NASDAQ: EBAY) is an American Internet company that manages eBay.com, an online auction and shopping website where people and businesses buy and sell goods and services worldwide. In addition to its original U.S. website, eBay has established localized websites in several other countries (eBay.fr; eBay.be, etc)
	• USA	• Commerce	• Online shop in following categories : Books, Electronics & Photo, Music, DVD (Buy & Rent), Video, Software, PC & Video games, Home & Garden, Toys & Games, Sports & Leisure, and more recently Jewellery & Watches
	• Germany	• Commerce	• Online Shop in following categories : fashion, household, office supply, etc. Otto GmbH & Co is operating in more than 20 countries and is the world's largest mail order company
	• Spain	• Commerce (transport)	• Vueling Airlines is a low-fare airline based in Barcelona, Spain. It serves many destinations in Europe and the western Mediterranean. Vueling was established in 2004.
	• Germany	• Commerce	• German mail-order company in following categories: fashion, household, multimedia, toys & games, home & garden, sports and leisure, etc.
	• USA	• Community	• Blogs, forums, emails, groups, events and games : "Meet people from your area in the country and keep in touch"
	• USA	• Community	• Founded in Feb 2005, YouTube is the leader of online video. YouTube allows people to easily upload and share video clips worldwide, on www.YouTube.com and across the Internet through websites, mobile devices, blogs, and email.
	• USA	• Community	• Launched in 1999. Free, automated weblog publishing tool that sends updates to a site via FTP. Since 2002, owned by Google.
	• USA	• Community	• Social networking site where members can stay in touch with their College friends, connect with friends, share photos, discover new interests and just hang out.
	• USA	• Community	• Provides users with the ability to publish a weblog via mobile phone, add music lists and manage friends. Linked with Hotmail.









Source: McKinsey analysis

# TOP USER GENERATED MEDIA - VC INVOLVEMENT (2/3)

	Country	Type of blog	Short description
	• France	• Community	• Launched in 2002, Skyblog is a massive French social network and blogging platform. Unlike most successful social sites, Skyblog is the product of a “traditional” media player - Skyrock, the popular French radio station.
	• Russia	• Communication	• Mail.ru is the largest free e-mail service of the Runet. The company started to operate under its present name on October 16, 2001; Mail.ru wraps around not only an e-mail service, but also : a search engine, as website catalogue, a blogging service, an informational serv. etc.
	• USA	• Community	• Founded in 2004, Facebook is a social utility that connects people with friends and others who work, study and live around them. It's made up of lots of separate networks based around things like schools, companies, and regions.
	• Netherlands	• Communication	• Allows to play all the great online word and puzzle games for free. Producer and publisher of casual games. It translates every game into seven languages
	• USA	• Communication leisure	• Windows Live Hotmail, commonly known as Hotmail, is a free webmail service by Microsoft, part of the Windows Live range of services.
	• USA	• Portal and Content	• MSN (an abbreviation of Microsoft Network) is a collection of Internet services provided by Microsoft. Initially released on August 24, 1995, to coincide with the release of Windows 95. In large part, MSN was rebranded in 2005 to Windows Live, which saw the release of Windows Live Hotmail (previously Windows Live Mail) and Windows Live Messenger.
	• France	• Communication	• Free is a French Internet Service Provider (ISP), which is a subsidiary of the Iliad Group. It operates in France. It was the first company to offer a Triple play service in France through their Freebox modem. These "boxes" provide comprehensive telecommunication services such as high-speed internet, telephone and digital television packages.
	• USA	• Community	• hi5 is a social networking website for young people. In hi5, users create an online profile and upload user pictures and videos where users can post comments. hi5 also allows the user to create personal photo albums and set up a music player in the profile. Users can also send friend requests via e-mail to other users.

Source: McKinsey analysis

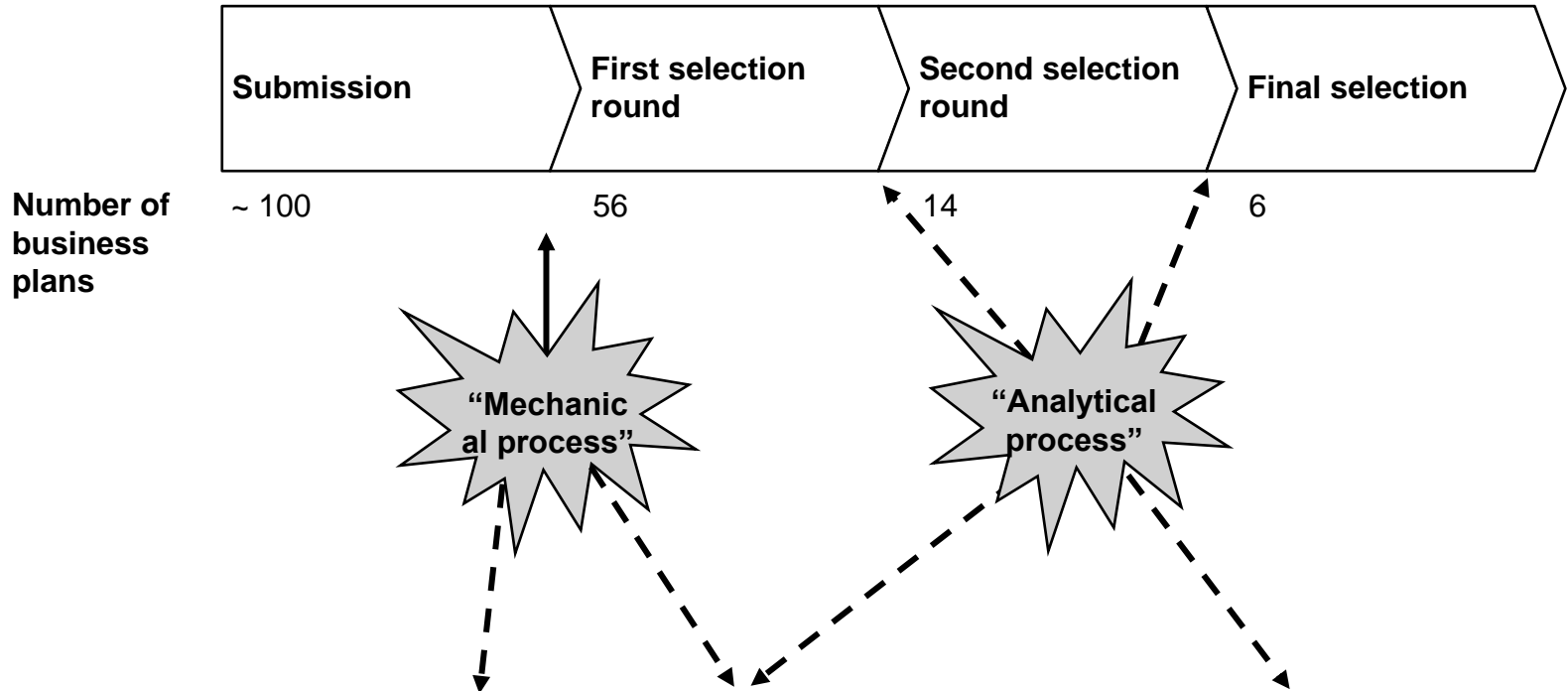
# TOP USER GENERATED MEDIA - VC INVOLVEMENT (3/3)

	Country	Type of blog	Short description
	• USA	• Community	• Launched in 2004, Flickr is a photo sharing website and web services suite, and an online community platform, which is generally considered an early example of a Web 2.0 application. In addition to being a popular Web site for users to share personal photographs, the service is widely used by bloggers as a photo repository. Owned by Yahoo.
	• USA	• Search	• My Web Search also known as the My Way Speedbar is the Internet Explorer toolbar part of the Fun Web Products suite of utilities. The toolbar allows easy access to search engine results and a 404 Error Redirector called My Total Search among other things to your browser.
	• USA	• Search	• Google Inc is an American public corporation, specializing in Internet search and online advertising.. It organizes the world's information and make it universally accessible and useful. Allows to find information in many different languages.
	• USA	• Portal and content	• Founded in 1982, Adobe Systems Incorporated is an American computer software company headquartered in San Jose, California, USA. Software developer and online distributor
	• Germany	• Portal and Content	• Leading European Entertainment Network. Nr 1 in TV and Radio Broadcasting in Europe. Largest Distribution Company outside US. Global leader in content (Production & Rights)
	• USA	• Portal and Content	• Microsoft is an American multinational computer technology corporation. It's a software developer and online distributor. Its website in top ranked in daiy traffic
	• UK	• Portal and Content	• The BBC programmes aim at informing, educating and entertaining the population. Advertisement free news website.
	• Poland	• Portal and Content	• Gadu-Gadu (Polish for "chitter-chatter") is a Polish instant messaging client. One of the most popular features of Gadu-Gadu is the status option, allowing users to display short text messages visible under their buddy icons on other users' contact lists.

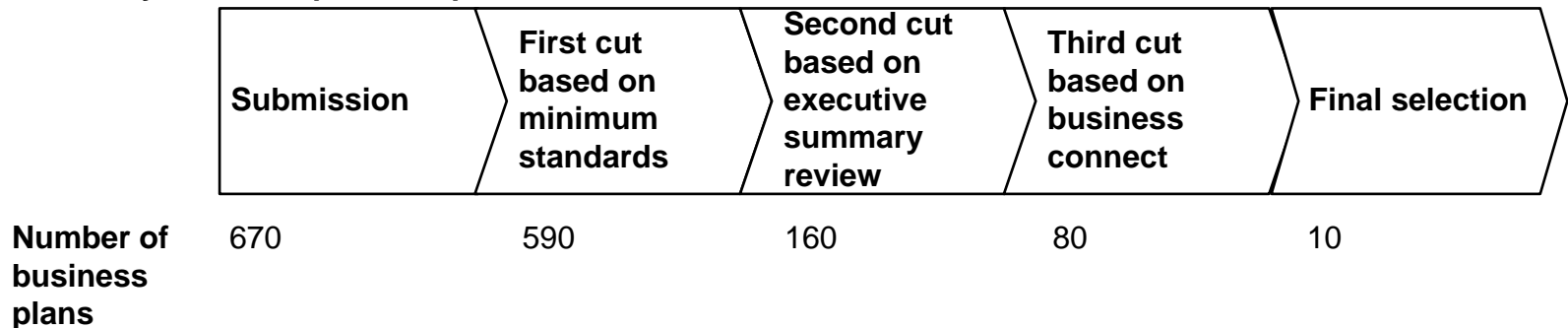
Source: McKinsey analysis

# BUSINESS PLAN COMPETITION SCREENS

## M.I.T. business plan competition – 1996-2005



## McKinsey business plan competition: Sao Paulo – 2006

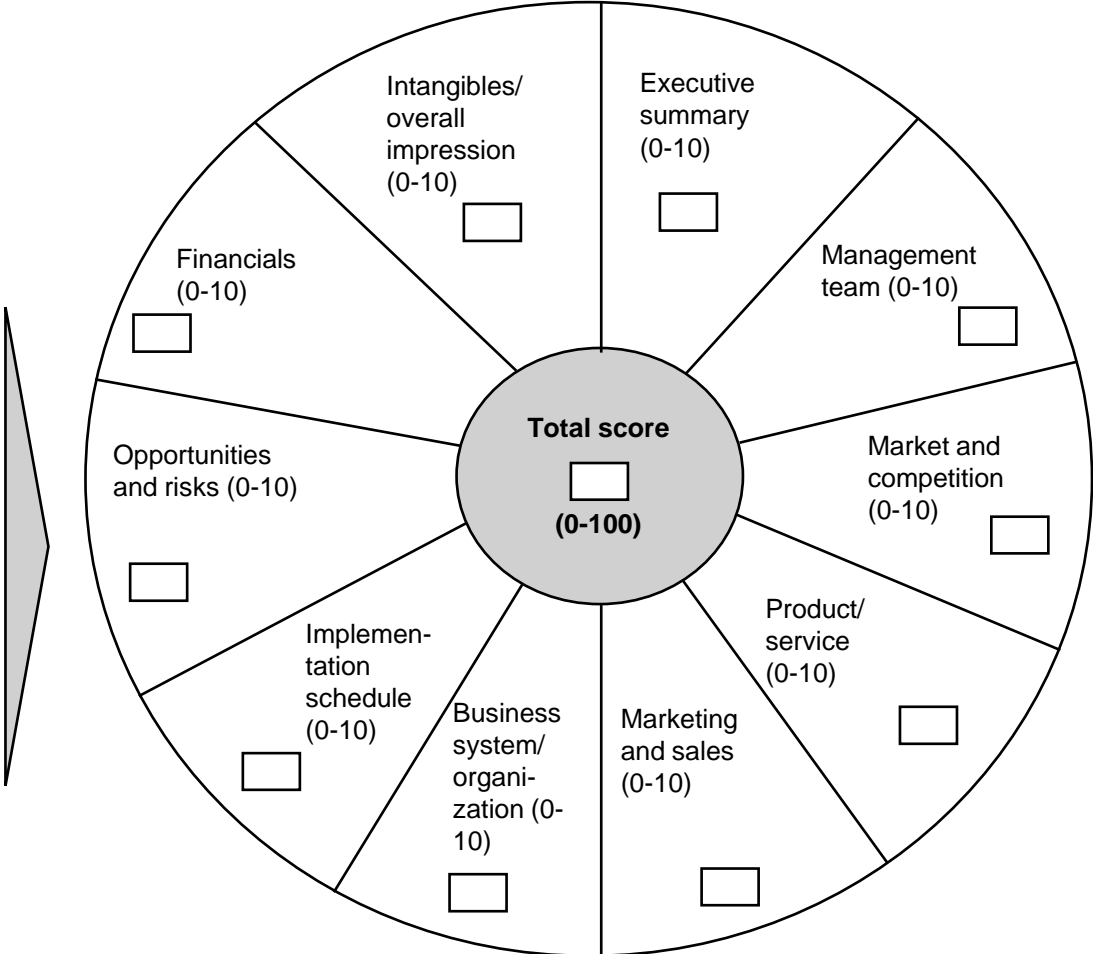


# TYPICAL EVALUATION CRITERIA

Business plan evaluation criteria

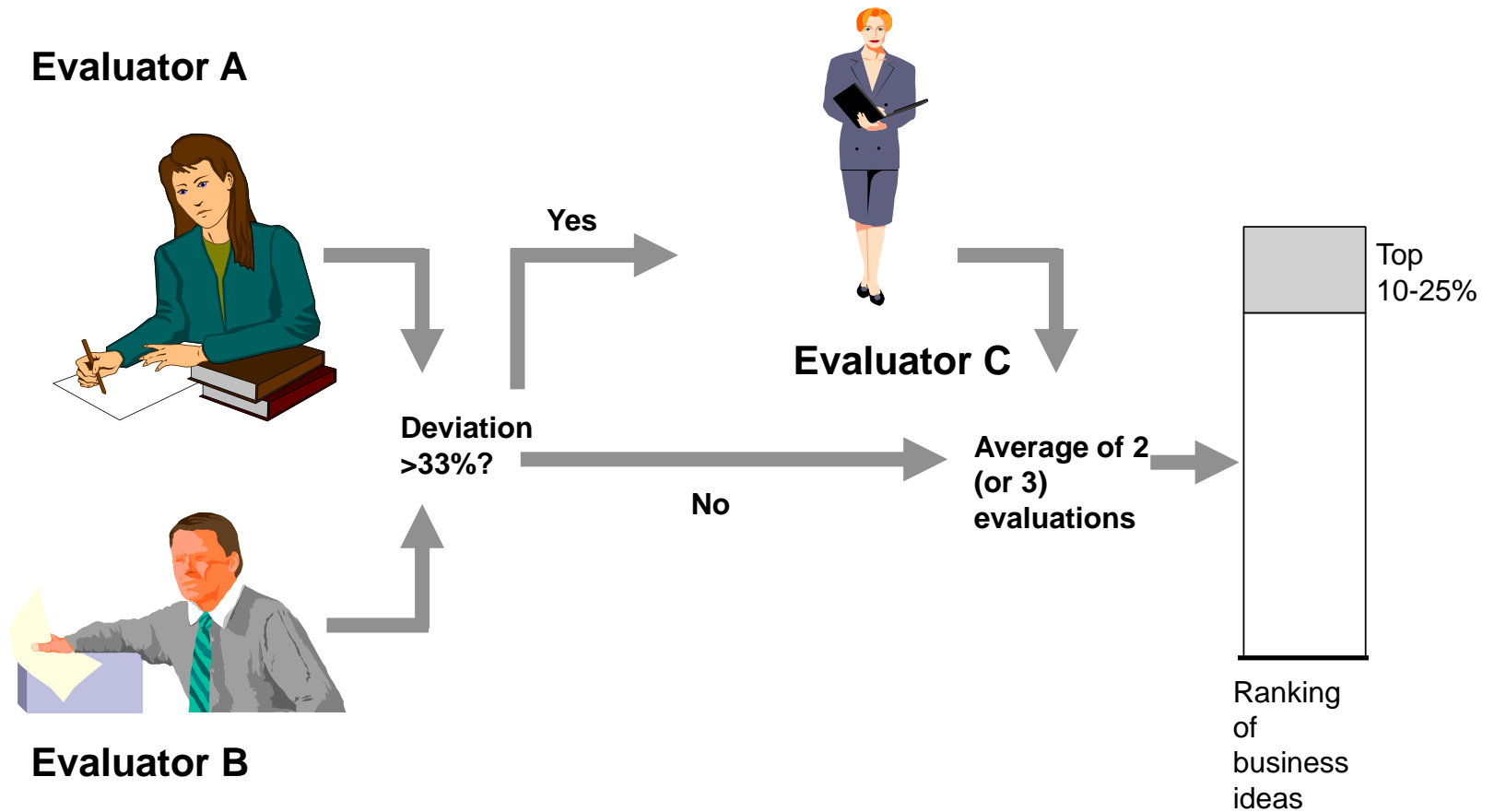
**Venture capitalist criteria**

- Management team
- Financials
- Market opportunity
- Value proposition





# OVERALL EVALUATION PROCEDURE



# HIGH-LEVEL EPR SCORING

Points Awarded:	0	2	4	6	8	10
<b>Executive Summary</b>						
• <b>Piques interest</b>	Of no interest	Of little interest	Of average interest	Piques great interest	Piques very keen interest	Fascinating; encourages further reading
• <b>Handles relevant issues</b>	Covers only unimportant issues	Some relevant issues covered;	Majority of issues covered; poor quality	Relevant issues covered fully; good quality	All relevant issues covered very well	All relevant issues covered outstandingly
<b>Management team</b>						
	Individual without notable experience/abilities	Team without/individual with little notable experience/abilities	One team member with notable experience	Several team members have notable experience, do not, however, cover all major areas	Team covers all major areas with notable experience/abilities	Team covers all major areas with notable experience/abilities
<b>Market and Competition</b>						
• <b>Market</b>	Small, diminishing market	Small, stagnating market	Small growing or large diminishing market	Small booming or large stagnating market	Large growing market	Large booming market
• <b>Market capture and competition</b>	Very tough competition active; and/or low market capture	Tough competition, active or expected, in the short term, and/or relatively low market share	Average competition, active or expected, in the short term; tough competition expected in the medium or long term; and/or average market share	Below-average competition, active or expected, in the short term; above-average competition expected in the medium or long term; and/or above average market share	Weak competition, active or expected, in the short term; average competition expected in medium or long term; and/or above average market share	No competition established or expected in the short term; weak competition expected in the medium or long term; and or tremendous market share
<b>Product/Service</b>						
• <b>Customer value</b>	Target group only vaguely defined, value could not be recognized	Target group defined but hard to recognize, marginal at best	Market segmentation and target group defined	Market segmentation and target group stated and average value recognizable	Market segmentation and target group stated and high value recognizable	Market segmentation presented persuasively, target group defined and very high value clear
• <b>Status and market differentiation</b>	Idea sketched only roughly, possibilities for sustained differentiation on the market unclear or not stated	Idea clearly described, plausible considerations for sustained differentiation evident	Feasibility ensured (e.g. functionality tested), definite differentiation strategy formulated, (e.g. patents, protective rights)	Concept detailed, (prototype in the works) effective differentiation strategy defined, first steps already undertaken	End product clearly recognizable (prototype completed), and/or keen interest from a pilot customer, key measures for sustained differentiation introduced	End product nearly finished (e.g. prototype ready for serial production) and/or pilot customer under contract, significant measures for sustained differentiation (e.g. patent issued)
<b>Marketing and Sales</b>						
	No mention of a marketing or sales strategy or the three Ps (price, place, promotion)	Three Ps are covered very poorly, marketing strategy on the whole unclear or insufficiently convincing	Two Ps are not covered or covered poorly. Outline of marketing strategy recognizable, but with clear gaps	One P is not covered or only covered poorly. Marketing strategy clearly recognizable, but with obvious gaps	All 3 Ps covered well. On the whole clear, consistent and complete marketing strategy	All 3 Ps covered excellently. On the whole very convincing and promising marketing strategy (high market penetration can be expected)

# HIGH-LEVEL EPR SCORING (CONTINUED)

Points Awarded:	0	2	4	6	8	10
<b>Business System/ Organization</b>	No or completely wrong emphasis with insufficient organization	Emphasis only somewhat correct with deficient organization	Emphasis partly correct with largely adequate organization	Emphasis fairly correct with fully adequate organization	Emphasis largely correct with fully adequate organization	Emphasis fully correct with excellent organization and strong partners
<b>Implementation schedule</b>	Not thought out, totally unrealistic	Not sufficiently thought out, not very realistic planning	Sufficiently thought out, in parts realistic planning with some gaps	Sufficiently thought out, fairly realistic and nearly complete planning	Well thought out, realistic and thorough planning	Very well thought out, highly realistic and thorough planning
<b>Opportunities and risks</b>	Incomplete presentation of opportunities and risks; effects	Incomplete presentation of opportunities and risks and their effects	Sufficient presentation of opportunities and risks and their effects	Satisfactory presentation of opportunities and risks and their effects	Good presentation of chances and opportunities and their effects; effective countermeasures	Outstanding presentation of opportunities and risks and their effects
<b>Financials</b>						
• <b>Content</b>	Planning and expected return based on absurd assumptions	Planning and expected return based on unrealistic assumptions	Planning and expected return based on somewhat realistic assumptions	Planning and expected return based on realistic assumptions	Planning and expected return based on realistic assumptions, expected return is attractive	Planning and expected return based on very realistic assumptions, expected yield is highly attractive
• <b>Form</b>	Income statement, liquidity planning, balance sheet and funding requirements missing	Three of the elements mentioned missing or containing serious errors	Two of the elements mentioned missing or containing serious errors	One of the elements mentioned missing or containing serious errors	All four elements are included, correct and presented clearly	All four elements are included, correct and presented very clearly
<b>Overall impression</b>	On the whole little point in pursuing: the business concept has little potential, the planning is not well structured and the presentation careless	Contains several interesting aspects but in its present form, the overall concept is not very persuasive	Contains a number of interesting elements possibly worth pursuing, but overall the concept has clear weaknesses in potential, planning or presentation	On the whole interesting and possibly worth pursuing but potential, planning and presentation have definite weaknesses	On the whole attractive and worth pursuing; a business concept with great potential, good prospects for success and a convincing presentation	On the whole highly attractive and persuasive in all main aspects. A business concept with great potential, clear prospects for success and an inspiring presentation