

1.1 Objectives

- ✓ Start by selling to one of the big four air cargo companies.
- ✓ After first year prove reliability and safety.
- ✓ Put out a new line of robot after 2 years with added features.
- ✓ Third Robot revision after 5 years.
- ✓ Secure 20% after first year with FedEx.
- ✓ Grow company 20% every year for the first 4 years.
- ✓ Secure 50% of market share after 2 Years with FedEx.
- ✓ Secure 100% of market share after 3 Years with FedEx.
- ✓ Secure 33% + 10% \approx 45% after 5 Years on open market with big four.

1.2 Mission

The mission of AutoLoad is to provide a safe and efficient way to load cargo airplanes without human intervention. Our mission is to make the process of getting product from the warehouse to the transportation medium on a fully automated basis. Our goal is to increase productivity, decrease the delivery error, and decrease overhead associated to our customer's company due to decrease in work force.

1.3 Keys to Success

In order to succeed AutoLoad must:

- ✓ Work closely with customer to meet their growing needs.
- ✓ Customize the robot to the type of product that is being moved.
- ✓ Build relationship with current customers before obtaining new customers.
- ✓ Grow into new markets as the company grows.
- ✓ Have employees with a diverse background in many different disciplines.

1.4 Target Market

AutoLoad's initial target market will be a single air cargo transportation company such as FedEx. After four years the market will expand to all of the air cargo transportation companies. After seven to ten years the market will expand to hold any warehouse that needs to automate the process of getting product out the door and on its way to their distribution centers, clients, or customers.

1.5 Competitive Advantage

The current strategy for loading an airplane with boxes starts with an automated process of determining the final location and items with similar final locations are grouped together. These groups are placed into large metal crates called "cans." The cans are shaped like the inside of the airplane it fits into. The cans are hand loaded with packages and then hand loaded into the airplane. The current strategy is laden with error prone tasks. AutoLoad's robot will decrease the chance of error due to a package going to the wrong location. This in turn will save money for our customers and allow them to keep

their customers happier. Our customers also will be able to save money by not having to pay for as many package handlers' salaries, benefits, insurance, and retirement. Any chance to increase reliability and decrease cost at the same time can never go overlooked and would be a great advantage for FedEx over its competitors.

1.6 Basic Strategies

Since the cost of constructing a large scale robot is so great, AutoLoad will get its funding from two places. The first strategy will be to get venture capital from several venture capital firms so that a single venture capital firm will not have to hold the burden of the entire project. Also, a single venture capitalist might not be able to fund the entire project. The second approach is to have FedEx support the project financially. After the first year of having an operational prototype FedEx would be given the option to obtain a monopoly on AutoLoad's robots. This would allow FedEx to be the only company that loads its airplanes in a totally autonomous fashion. During the three year monopoly minor changes would be made to the robots functions and research would be conducted on its reliability and functionality. During the three year monopoly AutoLoad would be working on the next generation of airplane loading robot. The second generation robot will be released sometime during the third year. After the three year monopoly expires the company would offer FedEx another three year monopoly, but they would have to make a considerable purchase and contribution to AutoLoad in order to receive the monopoly. The third generation of the robot will be finished sometime in the last year of the second monopoly or the seventh year. After the first or second monopoly is finished the airplane loading robot would be marketed on the open market. Once AutoLoad's third generation robot has been on the open market and the company has seven years worth of physical evidence of a successful product then at least 43% of the market of the big four package carriers (FedEx, UPS, United States Postal Service, and DHL) should be obtainable.

After ten years when the airplane loading market has been dominated by AutoLoad's products then the company strategy will undergo a renovation and the target market will be change into the warehouse management. AutoLoad will create a new robot that will work with RFID technology to fully manage a warehouse. The new robot will take the product directly off the assembly line and place it in the warehouse and then load it onto the outgoing transportation vessel. The robot will be made to order for each individual customer. That means that AutoLoad could build a robot for Walmart that takes a product off a truck and places it in a warehouse and then places that product on another truck a few days later without human intervention. This type of robot could be used for any company that has a need of managing boxed inventory in a warehouse. Such customers could include L.L. Bean, Walmart, K-mart, Weber, Sony, and Serta.

AutoLoad has decided to have Caterpillar create and assemble the mechanical portion of the robots per detailed specifications. Caterpillar is already established in the market of making large construction machinery and would be a great partner to help create these large scale robots. AutoLoad will purchase the robotic shell from Caterpillar and

Caterpillar will be able to say it has entered into a new market and increase its prestige in the heavy machinery market.