

MEMORANDUM FOR ATHGO International Fifth Annual Global Forum

From: Group 7 representing ATHGO International

Subject: Business Proposal -The EcoBank

Action-Forcing Event

The events and purposes that warrant action in the development of our business model is the issue of global climate change that urgently needs to be addressed in the near future. The way the current United States Legislative and Executive administrations are addressing global climate change is inadequate and needs to be changed. However, due to the apparent absence of political will in Washington, it is the duty of the private sector to initiate the sincerely needed shift in our actions and habits. Our business model should be considered because it is a model that addresses the financial problems faced when attempting to make a company more environmentally friendly. In addition, our business model will focus on funding lower income entities in order to help connect big business with grass root initiatives. Our business model not only focuses on funding lower income business projects but also will be applied to existing business and eventually residences by financially aiding them in their efforts to become more environmentally sustainable and energy efficient.

Background/Analysis

The reason our business model is feasible is because we are essentially incorporating the already existing principles of an investment entity but tweaking it by implementing certain environmentally friendly policies that were never seen to be especially prudent. We feel this is a new and innovative idea that will incent many businesses to turn to eco-friendly habits and policies at a low cost to them.

Business Model

The main goal of our business is to loan the principle capital a business will need to not only start it, but to make it "green" from the beginning by instituting technologies within the business that makes it energy efficient. To already existing businesses, we will simply loan them the capital needed as well as provide our services to make their business environmentally friendly and more energy efficient. In addition to financially assisting businesses we will also serve as a consulting firm and delegate the responsibility within our institution so the business will not have to worry about the process at all. Due to our principle investment allowing the company to save money on their energy consumption, our bank will take a percentage of the savings the company boasts *in addition* to the interest paid on the principle loan. These will be our two sources of revenue. Our interest rates will be able to be the lowest on the market due to the harvested revenue we will be receiving from the energy savings the company will have. Our principle as well as long-term capital will be supplied to us from the companies that produce the energy efficient products that we will utilize to make the company an "eco-friendly" business. We feel this business model will work because it is virtually no risk or cost for the business choosing our bank instead of any other investment bank entity. In the long term, the business will save money and repay our bank with the savings they accumulate thus adding no additional cost to the business.

Projection

The principle and main source of our capital will be from contracts our bank will form with certain energy retailers who are in charge of producing and providing the energy efficient technologies we will be using to make the start up businesses energy efficient. The long term revenues will be from the interest paid on the principle capital loans, as well as the portion of the saved expenses we will receive from each one of our investments monthly or annually. A limitation of this business model is accurately calculating how much money is saved through the use of energy efficient technology that our company incentivizes. However, through intensive engineering models we will be able to accurately assess how much the company would have spent without our involvement in making their company more energy efficient. We feel a strength of our business model is the fact that start ups will get more out of their choice to go with our investment bank rather than others.

Group's Role

This business will need a large staff in order to be successful. We will be compiled of investment analysts, bankers, investment managers, salesman, strategists, researchers, risk managers, as well as many needed to properly run an investment banking institution.