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Nanocerox

In March of 2003 Steve Swanson, the new CEO of Nanocerox, an Ann Arbor, Michigan based start up, pondered how to set a strategic direction for his company. As the Michigan town was digging out from the most recent winter snowstorm, he was busy preparing for a meeting with some professional angel investors. Nanocerox had recently witnessed an upsurge in the interest for its technology and products. Currently, there were at least five corporations that had approached Nanocerox about the possibility of forming a strategic alliance. The difficulty was that each alliance required a different application of Nanocerox's technology and the company was facing strained financial assets. Further, while the company had made contacts with many experienced industry players, the management team was very small and needed additional people with business experience. See **Exhibit 1** for further description on the management team. The question was which market application would allow Nanocerox to profitably commercialize its technology considering the company's limited resources.

The funding environment was not optimum given the bursting of the internet bubble during 2000-2001. Investors had become ever more wary of early stage investment proposals. Nanocerox management's goal was to raise up to \$1 million from angel investors. See **Exhibit 2** for the pro-forma budgets for Nanocerox for 2003 and 2004. After an initial review of the company, these potential investors had requested that Nanocerox articulate a targeted strategy. Nanocerox needed to show the investors that the company was moving away from pure research and had created products with real market potential. Swanson needed a plan to move Nanocerox from what the investors had called a "science project" to a profitable company. The first decision that needed to be made was which of the numerous available market opportunities the firm should pursue.

Advanced Ceramics

Nanotechnology is named for the minute scale in which the field operates. A nanometer is one-billionth of a meter, or 100,000 times narrower than the width of a human hair¹. By manipulating the properties of matter at this minute level, scientists believe nanotechnology will allow them to achieve such varied feats as creating materials 100 times stronger than steel at a fraction of the weight, or moving the storage of the entire Library of Congress collection onto a device the size of a sugar cube. See **Exhibit 3** for a picture of the Nanotechnology landscape.



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