



The Open Incubator™ Foundup® (O!F) Manual

Vision: “Be good to your ideas and those that help you launch them into successful lean Startups!” We want to flatten startups and collaboratively validate, build and launch business ideas to into socially responsible employee owned social enterprises.

Overview: O!F is a response to the “fail” startup and is the brain child of Michael J. Trout, CEO of Foundups Corp., After 16 years of struggling as an entrepreneur Trout decided that the only way to fix the startup is to completely redefine it and introduce something new. The collaborative open course development, and Wiki authoring framework inspire O!F.

1. SECTION 1 – Terms and Definitions and Players

A Startup is defined as “a legal entity and new venture that is pursuing a highly risky product of service or solution and has either a niche customer base or seed investors willing to get it to its niche customers in a specific time frame or a combination of the two.”

A [Foundup](#)® is defined as “a founder with an idea for a lean startup bootstrapping a prototype using the Open Incubator™ “collaborative” Framework (O!F)”

1.1 Terms

- 1.1.1 *O!* – [Open Incubator](#)™. This is the actual physical or virtual incubator. It represents actual members and Foundups.
- 1.1.2 *O!F* – Open Incubator™ Framework. This is the system or method on how the open incubator framework works. Foundup Corporation’s business acumen methodology that encompasses new LinkedIn crowdsourcing validation methods as well as a new crowd funding approach that brings economic development strategic campaigns methodology to the startup funding process.
- 1.1.3 *Foundup*® – a (blue ocean strategy) initiative that seeks to launch as a lean startup. In order to launch a Foundup must meet very specific mitigating milestones (SEE O!F Section). A Foundup is JUST focused on: Team > Prototype > Customer.

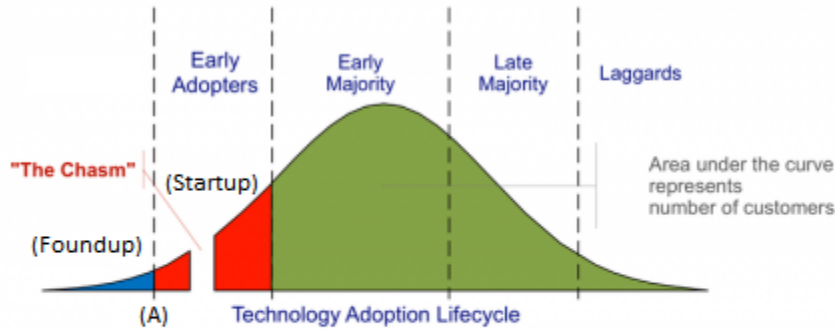
1.2 How Foundups® differ with Startups

- 1.2.1 Foundups® are (blue ocean) strategic initiatives seeking to become financially successful lean Startups
- 1.2.2 Foundups® are low-risk, light and easy, kind of like startup hobbies with a high success rate (needs to be verified); whereas Startups are highly financially risky, serious and hard with a very high failure rate (97%).
- 1.2.3 Foundups® are open collaborative vehicles with large teams (similar to open source coding project) for launching strategic initiatives into startups, whereas startups are closed institutional vehicles with small teams.
- 1.2.4 Foundups® are not legal entities and operate under Foundups Corp., c-corp umbrella as a project or brand of the corporation. Similar to someone giving rights to produce book into a movie or video game, Foundups Corp., has rights to launch the foundup® is a specific time frame (3 months, 6 months or 12 months).
- 1.2.5 Foundups® do not have investors they have contributors.
- 1.2.6 Foundups® do not have business plans they have decks (ppt presentations) and strategic plans (focused on MVP production and goal) to secure its customers.



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- 1.2.7 Foundups® only focuses on validating the idea > assembling the Team > building the Prototype (or raising the capital) > in order to launch to secure playing Customers
- 1.2.8 This is an adaption of the moores –chasm. Point represents the moment a foundup reaches its final mitigating milestone (customers or investors willing to get to its customers in a specific time-frame) and launches as a Startup. The WIN “collaborative” Foundup is blue ocean strategy outside the FAIL “institutional” Startup.



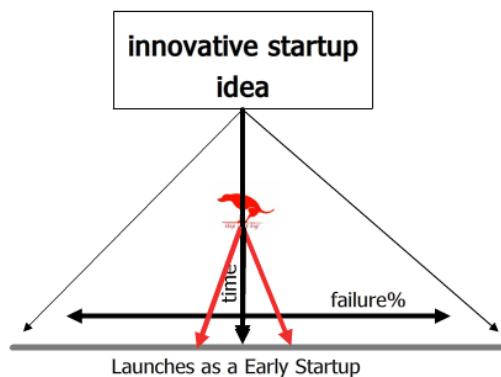
Red = Red Ocean Startup (97-99% failiure rate)

Blue = Blue Ocean Foundup®

- 1.3 O!F (Open Incubator™ “collaborative” Framework) is a collaborative system for launching business ideas into lean startups. [Michael J. Trout](#) invented it in 2010. O!F [launched](#) within the LinkedIn platform on April 25, 2011. O!F works in a similar way to Wikipedia’s collaborative framework.
- 1.4 The relationship to time in the Foundup Stage: In the traditional startup, the distance between the idea and its launch and its relation to time directly affects a startups success rate. O!F decreases failure by decreasing time and eliminating many of the systemic problems associated with startups. See diagram below:

The Foundup® Stage!

Failure rate increases the longer it takes



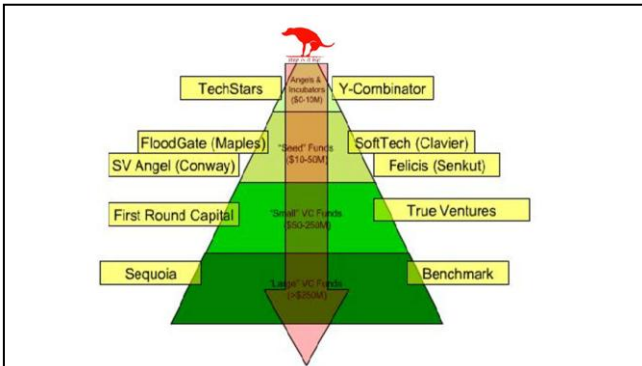
- 1.4.1 If we were to describe O!F as though it was Wikipedia, then think of the Wikipedia page (The Wiki) as the Foundup®; and the Founder of the wiki as the person who initiates the Foundup®. The *Advisor* of a foundup® is similar to the person who “passively” participates on Wikipedia as an editor or passive user. However, an



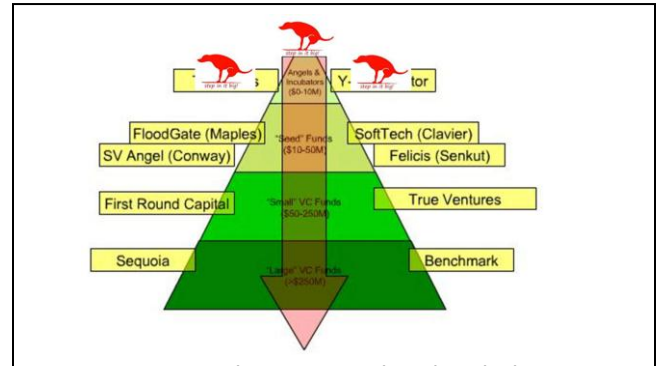
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Advisor is endorsing and helping to passively crowd source the Foundup® via their LI network. The Foundup® Team Member is similar to the “active” Wikipedia Admin who are that active participants of the Foundup®.

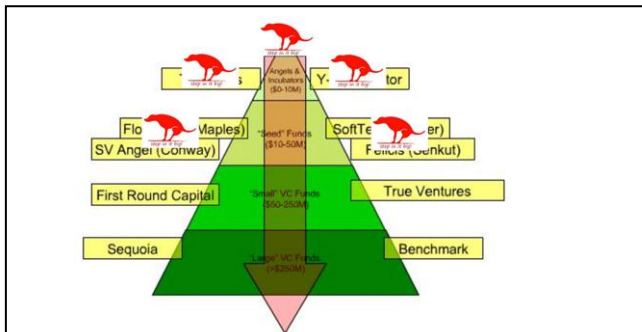
1.5 The Open Incubator™ Foundup® (O!F)



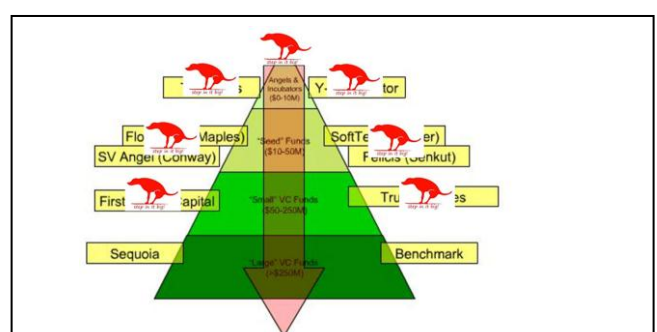
PHASE 1 -- the next 12 months - This is where we are now! We launched our LinkedIn alpha <http://linkd.in/LIfoundups> and testing O!F. We are launching Foundups.com -- crowdsourcing / crowdfunding open fun version of LI without the restrictive ToA and horrid CS Gate keepers.



PHASE 2 – months 12-24 . We have launched our 1st 100 Foundups into Startups. We have about 1000 foundups on Foundups.com in development. We are now launching FoundupsWeek events globally!



PHASE 3 – months 24-48. We are investing profits into our launched Startups and becoming their Seed investor... this is where Arch Angels come in... these are Super Angel groups that are banging on our door begging to invest in the 10,000+ foundups we have being foundup into Startups using O!F. They realize that location no longer matter and are willing to invest in ANY foundup ANYWHERE in the world!



PHASE 4 – months 36-60+ months. We now have the influence of a top VC firm competing with the big boys. Our motto is "Be Good." "Every startup starts banging on our door for funding because they know we will "Be Good" to them.

“Pyramid” image From Dave McClure 500hats



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FREE! CROWDFUNDING PLATFORM



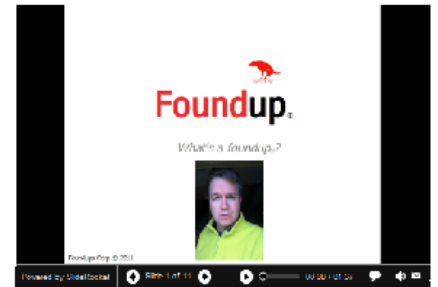
FOUNDUP[®]MALL

URL Name:

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6 or more characters

[Join Now](#) [Sign in.](#)



Foundups helps you...

- Validate a startup ideas (Foundups)
- Connect and build global teams
- Raise funds you need to launch

MVP Landing page "mockup" for Foundups.com -- CLOSED ALPHA. APPLY NOW send an email to JoinBeta@foundups.com

1.6 The Foundup[®] "Team"

1.7 Advisor (Open to anyone)-- is similar to the "passive" editor/viewer of Wikipedia page. Foundups[®] Advisors participate in a similar fashion. There is no requirement of them to participate. By aligning with the Foundup they are:

- 1.7.1 Endorsing the foundup[®]
- 1.7.2 Helping the crowd source of foundup[®]
- 1.7.3 They can provide feedback to the foundup[®] on their terms
- 1.7.4 In return for the passive participation, Advisors shared in a 1% warrant pool of equity in the foundup(s) that they are an Advisor of, (Strategic Partners share in this pool too).
- 1.7.5 They earn 1% of any foundup[®] initiative that they referred that launches as a Startup
- 1.7.6 They currently get a 50% commission on all sign-up fees for any foundup[®] that joins O!F
- 1.7.7 They get a 1:1 equity match in the first \$100K invested in a foundup[®] (Foundup[®] shares start at 0.10 each so the 1st 1,000,000 shares allocated are matched 1:1.)
- 1.7.8 Advisor have access to early participation as a non-accredited investor (per State & SEC regulations and limitations)
- 1.7.9 The Advisor is the gateway to becoming an "active" Team Member, which is the next level of participation.



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1.7.10 To become an Advisor is easy. Simply add Foundups Corp., to your LI profile (Edit profile > [Add a current position](#)) Title Advisor. Description: Foundups Corp., is pioneering the first Open Incubator™ for launching Ideas (foundup® Initiative) into successful Startup. For more information visit [foundups.org](#) and [foundups.com](#). Or call [+1 202.360.4467](#) or email [FirstnameLastname@foundups.com](#) (this is to know where the referral comes from)

1.8 Team Member (Invite Only)-- this is similar to an admin to a Wikipedia page. They are “active” members of a Foundup®.

- 1.8.1 They work on the Foundup in multiple capacities (PR, BD, Marketing, Development, Financial)
- 1.8.2 As they earn x2+ their base hourly rate (SEE O!F Section) in O!F virtual money called Foundups dollars - foundup dollars can be spent to buy equity in ANY foundup® launching as a Startup.
- 1.8.3 Team member are the candidates to become part of the Startup team: Staff, CxOs and Board leadership of the foundup that launches as a Startup
- 1.8.4 Team members share in 1% equity stake pool too. Their F\$ can be spent on purchasing equity in any Foundup that is launching (SEE O!F Section for details).

1.9 The Foundup Partners

1.9.1 A foundup has two types to partners. The Strategic Partner and the Prime Partner. These two mirror the passive Advisor and active Team Member.

1.9.2 Strategic Partner --this is the corporate version of the Advisor.

1.9.2.1 These can be channel partners or service providers

1.9.2.2 They receive the same benefits as the advisors.

1.9.2.3 Strategic partner receive equity from the same pool as the Advisor except there portion is at a slightly higher multiplier (SEE O!F Section for details).

1.9.2.4 Strategic partners can offer services and solutions to Foundups at a min 20% discount to its foundups

1.9.2.5 Strategic partners get special access to Foundup equity when they launch as startups. (SEE O!F Section for details).

1.9.2.6 To become a Strategic Partner a company needs to have a corporate connection on LinkedIn (See [Foundups Corp.](#), corporate [LI connection](#)).

1.9.3 Prime Partner -- these or financial and service providers to the Foundup

1.9.3.1 To become a prime partner a 0.1% of a partner’s gross annual revenue is made as a contribution e.g.: \$10m company = \$10,000 minimum contribution. (SEE O!F Section for details).

1.9.3.2 The minimum contribution is \$10,000. In-kind, contributions are accepted and counted as corporate contributions.

1.9.3.3 Prime partners received preferential investment treatment when the Foundup® launches as a startup (SEE O!F Section for details).

1.9.3.4 Their total contribution is returned as x15 F\$ equity buying power in the new Startup when the Foundup® launches as a Startup \$10,000 donation = \$F150,000 equity buy power (SEE O!F Section for details).



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1.9.3.5 If their Foundup® does not launch they can apply their contribution towards any launching foundup® at an x2F\$ contribution in ANY launching Foundup. (\$10,000 = \$20,000 F\$.) certain limitations apply (see OIF section.)

1.9.3.6 Prime partners get special institutional investor access to Foundup® equity when they launch as Startups. (SEE OIF Section for details).

2 SECTION 2 The Open Incubator “collaborative” Framework (OIF) – [NDA required](#)

2.1 Why an NDA? – The NDA protects your ideas and ours. This section talks in detail about the new Foundups.com OIF platform, its proprietary algorithm “The Noodle” and the proprietary funding system that been used to raise over \$1bn for strategic initiative campaigns in the US.

2.2 FOUNDUPS.COM Mindmap -- Foundups.com architecture

Open Incubator & Foundup

