EQUIP · LEGALZOOM

Defining the offer

Working documents I used to define Equip's packages, pricing, and delivery between 2017 and 2019. The details changed over time, so they don't always match from page to page.

1 Packages and pricing

I used these sheets to work through what went into each package, what it cost to deliver, and what to charge.

SALES SHEET · 2019 base packages · excerpt

legalzoom equip		Start Marketing	Start Tax	Protect	Grow
Account Manager Gain a business advocate to help your business get up and running.	• Initial discovery call and ongoing coaching • Receive action plan to accomplish business goals • Phone and email; capped at 4 hours per month	✓	✓	✓	✓
Total Compliance Stay on top of critical dates and keep your company in good standing.	• Annual Reports, Compliance Alerts, Compliance Calendar, Minutes Manager	✓	✓	✓	✓
Business Licenses Get reports to determine the licenses and permits required for your business.	• Subsequent reports are automatically run by Account Manager • Initial report is not included in subscription	✓	✓	✓	✓
LegalZoom Discounts Special pricing on additional LegalZoom product offerings.	• 20% off LegalZoom products • Does not include subscriptions • Does not include legal services such as Patents	✓	✓	✓	✓
Business Plan Software Track progress and see how your business is performing against goals and the market.	• Fill in the blank business plan; 500+ sample • Create and share pitch presentation • See how key metrics measure against industry	✓	✓	✓	✓
Professional Business Planning Obtain a professionally-crafted business plan with custom financials and market research.	• MBA writer creates a custom business plan, tailored to industry, with market research and financials • Receive 2 copies and a digital CD	✗	✗	✗	✗
Funding Consultation Receive a funding and business loan consultation to grow your company.	• Consultation with small business lending marketplace, including traditional, SBA, credit cards • Online application for 75+ lenders	✓	✓	✓	✓
Tax Professional Speak with your dedicated business-focused tax professional for personalized tax advice.	• Tax advice from a dedicated CPA • Email and phone support • Capped at 4 hours per month	✗	✓	✓	✓
Business Taxes Get assistance from your dedicated tax professional with periodic tax prep and filings.	• Annual business tax prep and filing with IRS; quarterly estimated taxes; separate business tax return (e.g. S Corp); Schedule C; State-wide tax filings; Franchise Tax Filings; S Corp Election	✗	✓	✓	✓
Bookkeeping Record and manage financial transactions through an online accounting platform.	• Online invoicing, record financial transactions and categorize expenses, mobile app, connect bank accounts and credit cards; GPS-based mileage tracking	✗	✗	✗	✗

PRICING MODEL

ID	Item	Notes	Cost	Market Value	Value %
2	**Registered Agent**		[illegible]	[illegible]	4.5%
3	**Business Compliance**		[illegible]	[illegible]	9.1%
3a	Compliance Calendar			[illegible]	2.0%
3b	Annual Reports			[illegible]	1.6%
3c	Company Minutes Manager			[illegible]	2.8%
3d	[illegible]			[illegible]	4.5%
3e	Annual Business Tax Preparation & Filings		[illegible]	[illegible]	19.7%
3f	Access to Legal Forms Library - Unlimited			[illegible]	2.7%
4	**Add Account Management (service)**	Unlimited, but market value assumes 1 hour per month (used Zirtual pricing)		[illegible]	11.3%
5	**Add Primary Tax Professional (service)**	Dedicated CPA at 1-800Accountant for Equip customers; currently $0 cost		[illegible]	14.2%
6	**Add LegalZoom Legal Services (services)**	Current average = .947 hours, per customer, per month			
6a	ABS Consultations	Unlimited interactions for in scope topics		[illegible]	6.6%
6b	ABS Document Reviewing	Unlimited interactions for in scope topics		[illegible]	6.6%
6c	ABS Document Drafting & Revising	Only in Equip Legal Bundle packages; unlimited for in scope documents		[illegible]	6.6%
7	**Access to Business Resource Network**	Business Resource Network recommendations and consultations			
8	**Business Licenses - Research**		[illegible]	[illegible]	4.5%
9	[illegible] **Cloud Account**			[illegible]	3.4%

2 Fulfillment

I mapped each service to an internal team or partner, then estimated the utilization and time required from each role.

WHO DELIVERED IT

Package	Start	Protect	Drive	Grow	
Description	Tax & Guidance	+Legal	+Marketing	+Marketing	
Price - Monthly	$199	$299	$299	$399	
Price - 6 Months	$1,095	$1,645	$1,645	$2,195	
Price - Annual	$1,990	$2,990	$2,990	$3,990	
Availability	TBD	TX; CA	TBD	TX; CA	
Account Manager	Yes	Yes	Yes	Yes	Innovation
Registered Agent	No	No	No	No	LegalZoom
Compliance Alerts	Yes	Yes	Yes	Yes	LegalZoom
Annual Report	Yes	Yes	Yes	Yes	FSCP (LegalZoom)
Minutes Manager	Yes	Yes	Yes	Yes	FSCP (LegalZoom)
D&B Credit Monitoring	Yes	Yes	Yes	Yes	FSCP (LegalZoom)
Legal Forms Library	Yes	Yes	Yes	Yes	FSCP (LegalZoom)
Annual Tax Filings	Yes	Yes	Yes	Yes	FSCP (LegalZoom)
Business Licenses	No	No	No	No	Business Licenses
Business Plan	Yes	Yes	Yes	Yes	LivePlan
Funding Consultation	Yes	Yes	Yes	Yes	Lendio
Tax Professional	Yes	Yes	Yes	Yes	1-800Accountant
Annual Taxes	Yes	Yes	Yes	Yes	Same as Line 19
Quarterly Taxes	Yes	Yes	Yes	Yes	1-800Accountant
Attorney	No	Yes	No	Yes	LZLS (ABS)
Contract Review	No	Yes	No	Yes	LZLS (ABS)
Tailored Forms	No	Yes	No	Yes	LZLS (ABS)
Branding	No	No	Logo	Logo	99Designs, DesignCrowd
Marketing	No	No	Website, Email, Domain	Website, Email, Domain	Blazonco

WHAT IT COST TO SERVE · Excerpt: 10 of 21 services

SERVICE		FULFILLMENT	TIME PER INTERACTION (MINUTES)			UTILIZATION (% OF CUSTOMERS PER MONTH)				
Service	Constraints	Lead	Advocate	SSR	Lawyer	Month 1	Months 2-6	Months 7-12	Months 13-24	Utilization notes
Setup & Onboarding		EQUIP	10	20	30	100%	0%	0%	0%	All customers will experience this
Concierge Services		EQUIP	5	20	0	13%	13%	13%	13%	Assume ~1 order every ~6 months for 75% customers
Legal Consultation (30 min, max 2hrs)	Limited to 2 hours per month, 30 minute sessions	ABS	0	5	30	6%	6%	6%	6%	BAP = 3% utilization, assume double
Tax Consultation (30 min, max 2 hrs)	Limited to 2 hours per month, 30 minute sessions	Partner	0	5	0	6%	6%	6%	6%	BAP = 3% utilization, assume double
Limited Document Review	At attorney discretion; up to 15 pages	ABS	5	15	78	15%	5%	5%	5%	POC = 9% doc review
Top Of Mind (Basic Custom)		EQUIP	10	50	0	10%	10%	10%	10%	Assume playbooks cover 80% of business needs, used by 50% customers
Registered Agents		LZ Core	5	15	0	N/A	N/A	N/A	N/A	
Custom (Small Business Tasks)	Limited to 5 hours per month	EQUIP	15	300	0	40%	40%	40%	40%	Assume half customers take near-full advantage
Dedicated Legal Consultation	Limited to 8 hours per month, 30 minute sessions	ABS	5	20	30	18%	18%	18%	18%	BAP = 6% utilization, assume triple
Advanced Contract Drafting	At attorney discretion	ABS	5	15	241	5%	3%	5%	3%	POC = 4% advanced contract

3 Service boundaries

I defined the scope and limits of each service, then set service levels based on customer needs.

WHAT WAS IN AND OUT OF SCOPE

Equip scope of services

	Business Advocates	ABS Attorney Services
In Scope	• Business formation questions and orchestration • General business planning and support capturing business plans • General business research tasks relating to business goals and/or connecting to specialists (partners) as needed for the following categories: • Business Licenses, Business Plans, Marketing & Web, Finance & Funding, Accounting, Employees	• Formation Documents • Equity / Ownership Distribution • Funding / Financing • Hiring Employees • Third Party Agreements • Buying / Leasing Property • IP Protection • Access to Specialists (e.g. Trademark)
Out of scope	• Legal and tax advice • Task-level activities • Sales and marketing activities • In-person tasks • Receptionist service • Product development • Brainstorming or ideation • Out of scope industries: Cryptocurrency, Franchises, Alcohol Producer, Tobacco, Firearms, FinTech/Banking, Cannabis, Health Services/Caretaking, Professional Services, Non-profits	• No drafting of employment agreements with outside executives • No stock option plans • No assessment of a company's classification of employee vs. independent contractor • No drafting of agreements between company and a third party reselling the service • No notes that convert to equity • No negotiating with outside investors on debt documents (only provide draft) • No drafting of agreements with outside investors for equity • No agreements with third parties that are in "out of scope industries" • No website TOS/privacy policy for products/services that are the actual website or app • No website T&Cs/privacy policy for international operations, websites servicing minors, or sales of regulated goods and services • No M&A - buying or selling a business or all or substantially all of the assets of a business • No Joint Venture/Partnership Agreements between two companies involving an ongoing partnership • No drafting of commercial real estate lease or purchase agreements (will review previously drafted agreements)

SERVICE LEVEL AND LIMITS

	ADVOCATES	ATTORNEY	PARTNERS: TIER 1	PARTNERS: TIER 2
DESCRIPTION	Account Executive; Account Manager	LZLS Attorney	Services embedded in packages [redacted]	High demand
OPERATING HOURS	Monday thru Friday Excludes LegalZoom Holidays 9am-6pm Central Time	Monday thru Friday Excludes LegalZoom Holidays California: 10am-5pm Pacific Time Texas: 10am-5pm Central Time	Monday thru Friday Excludes LegalZoom Holidays Hours vary by partner	Monday thru Friday Excludes LegalZoom Holidays Hours vary by partner
THRESHOLDS				
Consultation Hours	4 hours/month	4 hours/month	N/A	N/A
Research Hours	At advocate discretion	1 hour/month	N/A	N/A
Business Tasks	At advocate discretion	N/A	N/A	N/A
Documents Reviewed	N/A	5 docs/month, up to 25 pages each	N/A	N/A
Tailored Forms	N/A	5 docs/month, including custom drafts	N/A	N/A
Custom Drafting	N/A	2 docs/month	N/A	N/A
RESPONSE TIME				
Email	16 business hours	16 business hours	24 hours	48 hours
Voicemail	16 business hours	N/A	24 hours	48 hours
Text	N/A	N/A	N/A	N/A
Initial Acknowledgement	N/A	N/A	24 hours	24 hours
TURNAROUND TIME				
Internal Q&A	8 business hours	8 business hours	48 hours	48 hours
Provide time estimate for customer request	8 business hours	8 business hours	12 business hours	12 business hours
Customer request fulfilled	Within estimate given	Within estimate given, generally to be no more than one week from request	48-72 hours	48-72 hours
CSAT Thresholds				
Trustworthy	> 4.5	> 4.5	> 4.5	> 4.5
Resourceful	> 4.5	> 4.5	> 4.5	> 4.5
Informed	> 4.5	> 4.5	> 4.5	> 4.5
Simple	> 4.5	> 4.5	> 4.5	> 4.5
Approachable	> 4.5	> 4.5	> 4.5	> 4.5
Recommend (NPS)	> 4.5	> 4.5	> 4.5	> 4.5
REFUND POLICY	At LegalZoom discretion	At LegalZoom discretion	At LegalZoom discretion	At LegalZoom discretion