



CONFIDENTIAL
SUMMARY BUSINESS PLAN EXAMPLE

March 2010

NewCo
9820 Willow Road
San Diego, CA 92111

(858) 277-6666

rbwitt@wittpa.com

<http://www.newco.com>

Executive Summary

Version 1.0

Executive Summary

The Company's Business

NewCo is a tracking and management system that is the first solution that allows large corporations and mid-size businesses to effectively enforce their internal and external policies which have been in place for decades. Through its on-demand application service, NewCo provides automated jobs and management services to its customers both domestic and abroad. It eliminates today's inefficient, unreliable and costly information exchange, streamlining job workflow between all involved parties. NewCo enables its users to see all of their jobs on line, the status of the jobs, important dates, alerts and supervisory views to check the status of jobs worked on by any authorized personnel. The system is **unique** in its approach allowing specific policy enforcement through instant messaging, scheduling and control-oriented services.

It resides in a state-of-the-art hosting facility and includes a world class customer support organization eliminating the need for "in house" IT support. A "quick tour" of the product can be experienced at www.NewCo.com.

The Company expects to earn significant fees from its customers as a result of removing costs, improving efficiency, and eliminating charges traditionally billed by service providers. The ROI is almost immediate. It provides an independent, neutral, reliable, scalable service supporting jobs (transactions) measured in the millions per year. The Company expects to become profitable in 2011. As a general rule, the service is free to the customers and paid for by the authorized people accessing the service.

Addressable Market

The Company's products address a process on which the large companies and government sectors spend an estimated \$59.4 billion annually. The size of the addressable market – valued at the Company's product pricing – is estimated to be about \$18.6 billion annually with an initial target market of \$7.5B.

Value Proposition

The NewCo offering enables its customers to leverage technology to replace mandatory manual tasks, alert relevant parties to key events and expose all aspects of a job to be instant visibility on demand. The Company has an undisputed cost elimination model of \$25,500 per job. Based on a market of 9M targeted jobs, this results in an opportunity to remove \$12.2B in costs from the existing system in exchange for a \$3.2B in NewCo fees (this does not include a generous revenue potential from international jobs).

The NewCo ASP fees are paid on a per-job basis. For customers, the cost of NewCo's service is paid by their information exchange partners. There is **NO** P&L or CAPEX impact on the customer. At \$45 per job, the charge represents a fraction of the current expense. The fees are \$350 per job with 1 partner, \$500 per job for 2 partners and \$1,500 per job 3 or more partners. (The Company has launched a 2010 sales promotion of \$200 per job to attract key strategic customers) The lost revenue to information partners is significantly offset by the avoidance of missed deadlines, minimizing discontent and the elimination of non-chargeable hours spent to rectify problems due to errors in records management. The pay-back for corporations is almost immediate in the form of reduced fees, reduced audit costs, improved time to closure of jobs and more accurate cash management.

Bottom-line Savings

NewCo will allow its customer's to recoup 150% or more of staff salaries by applying its documented savings to the normal workload. Furthermore, the Company can demonstrate an additional \$25 – 51K per year in savings per staff in efficiencies.

<i>Stage / Status</i>	NewCo is an emerging-revenue company. Its first customer is using the system and generating revenue. It expects to sign at up to 4 more in Q1 2005. The current pipeline targets approximately \$12M in revenue from customers with whom the senior management team has prior business relationships.
<i>Vision and Mission</i>	<p>NewCo's <i>vision</i> is to be recognized as the leading purveyor of electronically enabled services that provide significant process improvement resulting in maximum customer satisfaction at no incremental cost.</p> <p>NewCo's <i>mission</i> is to develop, manufacture and market an impartial and secure information exchange and knowledge portal linking companies to service providers for the purpose of expediting job closure and reducing administrative costs while achieving a balanced and fair outcome for the affected parties.</p>
<i>Senior Management</i>	<p>CEO Jackson Smith: 12 years as a big business dude serving major large companies; extensive relationships with many of the Company's target customer base.</p> <p>COO & Director Robert Witt: 25 years' experience at senior levels of major corporations in IT, financial, and general-management positions; CFO experience at several early stage companies. He also has a successful track record of building Internet applications..</p> <p>VP-Sales Tommy Tomtom: 14 years of sales experience in the large companies. He has long-standing relationships with many prospective customers.</p>
<i>The Company</i>	The Company is a California Corporation, authorized to do business in California and incorporated in 2009.
<i>Recognition</i>	The Company was chosen by California Bank & Trust and California Counsel Group to present at their "showcase" investor dinner in February 2009. The Company was chosen by the San Diego Industry Council to be one of fourteen presenters at their annual software investment conference in October 2009. In both cases, the company successfully competed with startups from across California.
<i>Capital Requirements</i>	Approximately \$400K has been raised to date. The Company is seeking an additional \$1M+ in the Series A round. Funds raised will expedite growth through accelerated hiring and market penetration. The Company believes the Series A funding will be sufficient to fund the Company until it becomes cash-flow positive.

Products and Services

Product Description and Functionality

NewCo presents a new paradigm for a new product. The Company is an Application Service Provider offering a secure neutral content exchange coupled with information portals connecting external unrelated parties for the purpose of job management. It requires no hardware or software investment from its customers. Training is minimal and there is a dedicated customer support group.

The Cloud based application has a number of unique features that make it desirable for its targeted customer base:

- All-encompassing dashboard or portal for each party in a job.
- Removes the dependency on paper, mail or express services.
- Rule-based workflow engine suitable for hosting any large companies policies.
- Alerts and triggers for upcoming events, missed deadlines or problematic jobs.
- Automated simultaneous communications to all interested parties.
- Caseload summary with drill down for complete details.
- Forward-looking calendar.
- Single source for all digitized content.
- Repository for customer or third-party attachments.
- Summary view for management oversight or reporting.
- Job dollar reserve tracking.

Product Pricing

The NewCo pricing model is to charge on a per-job basis; therefore customers have direct control of their expenditures by managing utilization. The Company does not charge subscription or startup fees.

NewCo's list price is.....

Overall Value Proposition

NewCo's customers will enjoy a premium return on investment through automation of mundane administrative and information-exchange tasks, thus reducing job costs. Job data will be instantly available to all relevant parties, eliminating the time required for research and information exchange. Automated alerts will minimize the penalties associated with missed deadlines. NewCo offers an intuitive interface for the management of these jobs from handoff through closure.

Sales and Marketing

Sales Strategy	NewCo's sales organization is pursuing a high-level, direct sales effort focused on a named account strategy within a target group of selected corporations and mid-sized businesses. The Company is leveraging the success of its first customer.
<i>Target Audience</i>	The audience for the application includes management, risk managers, internal auditors and a host of others. The focus of the first rollout of the system was to fulfill the requirements of the jobs between the customer and 1 service provider. Improved workflow and job management is expected to be achieved also.
<i>Sales / Benefits</i>	The sales message to the prospective customers is based on the following jobs and benefits:
	<ul style="list-style-type: none"> • Efficient enforcement of the existing job-handling protocols. • Increased efficiency and volume for internal employees. • Instant reporting capabilities to determine the effectiveness of employees and outside partners. • Reduced service fees. • Reduced "paper" fees to include copying, postage and storage. • Additional "paperless" capabilities to include data storage for damage estimates, photographs, surveillance video, etc. • Accessibility to all jobs by supervisors at any location with Internet access.
<i>Channels</i>	NewCo will be marketed through traditional means, including:
	<ul style="list-style-type: none"> • Advertising in trade publications for its targeted customers. • Participation in industry trade shows and meetings. • Direct sales and marketing to targeted lists of customers, both electronically and via print. • Account executive direct sales calls to leading customer prospects.
<i>Target Industry Organizations</i>	NewCo will also seek to enlist prominent industry organizations as potential marketing channels and endorsers, including the following:
	<ul style="list-style-type: none"> • The Information Network of California • National Association of Vendors • AICPA • National Association of Mutual Large Companies • California Services Office • American Bar Association • National Information Institute
<i>Corporate Sales Strategy</i>	NewCo will use a targeted customer strategy with initial emphasis on recognizable companies that have problematic workflows. Parallels will be drawn between the processes utilized by best in class corporations for jobs and target customers.
<i>Viral Propagation</i>	NewCo will benefit from the viral effect of having initial users spread the value of the service throughout the industry. As one large companies company uses the service successfully for one job, it will roll out the service by requiring the use of NewCo for all cases with jobs it processes. As outsiders are exposed to NewCo through one customer they will appreciate the service, they will introduce the service to all their large companies company, peers and colleagues.
	NewCo will actively exploit this viral marketing impetus through effective use of testimonials from users and offers of promotional benefits to users who sign up or introduce new accounts to the service.

Marketing

Building on NewCo's existing commitment from its first customer, NewCo's marketing program will focus on specific potential customers that have large market shares.

The Primary Goal: NewCo will roll out its solution to other customers to include one or two large companies, each of which has a large market share.

Target Customers: Via focused sales and marketing efforts the Company will attract:

- One or two of the largest corporations.
- A large California corporation.
- Individual firms.
- Malpractice companies carriers and large companies.

Communication / Promotion: Promotions will begin in the first quarter of 2010. Promotions will be large scale and will occur simultaneously at multiple locations:

- Direct meetings with target customers and on-site demos.
- Trade shows and promotions in litigation and jobs handling publications.
- Joint promotions.

Direct marketing will be targeted at upper management of large companies.

Financing and Financial Projections

Financing

The Company has achieved the milestones set forth in the Appendix hereto on a cash investment of approximately \$400,000. The investment was provided by the Company's founders along with friends and family in increments of \$25,000 or more. An additional \$1.0M+ is being sought to complete the Series A round. The Company believes the Series A funding will be sufficient to fund the Company until it becomes cash-flow positive.

The Company has talked to institutional investors about a Series B round of equity capital should it attract multiple sizeable customers that require extensive working capital to launch. All financial models in this plan would need to be revised should this scenario occur.

Financial Projections

NewCo has prepared detailed projections of its future financial performance and condition. The projections are based on "bottom up" estimates of market size and opportunity, customer penetration, product usage, product pricing, and expenses. The projections assume the Company raises equity capital in excess of cash burn and revenues. The projections reflect the expected results of the businesses described above and do not include additional revenue streams already identified by management, as described in "Corporate Development" above. Summary results of the projections are shown below, and the detailed projections are available upon request. The detailed, monthly statements for four years include income statements, cash-flow statements, and balance sheets.