



Editorial Services

BUSINESS PLAN

HILTON & ASSOCIATES

7200 West Mackinac Island Blvd., Suite 17

Denver, CO 80222

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Hilton & Associates offers writing and other editorial services, including training. The company's founder is seeking additional capital for a rejuvenated marketing campaign, an increase in staffing, and a stronger base for future goals, such as production of documentation and related materials and franchising. This plan is being used to substantiate a request for debt refinancing .

- EXECUTIVE SUMMARY
- ABOUT THE BUSINESS
- MANAGEMENT AND ORGANIZATION
- COMPETITIVE ANALYSIS
- PRICING
- OPERATING AND CONTROL SYSTEM
- MARKETING PLAN
- SCHEDULE
- FINANCIAL DATA

EXECUTIVE SUMMARY

Hilton & Associates (H&A) provides editing, writing, and training services to companies, government agencies, and a wide range of public and private organizations and individuals. This assistance is provided on a fee-for-service basis, and is billed hourly.

The firm's founder and president, William J. Hilton, has been a freelance writer and consultant for over 20 years. He is a versatile writer of both fiction and non-fiction documents, and has published extensively.

Three concepts define the unique character of this venture:

❑ **Use of Subcontractors for Staffing Flexibility.** Mr Hilton's client base has expanded beyond the point at which he alone can provide service of the quality required, in a timely and cost-effective manner. As a result, he began experimenting with the use of subcontractors to help him fulfill his clients' requirements, and has learned that, through the careful selection of self-motivated professional writers, he can serve a much larger and more diverse audience of clients.

There are many talented freelance writers and trainers with their own offices and modern text editing equipment who are willing to augment the H&A staff of a subcontractual basis. These subcontractor relationships will be transparent to H&A's clients, since the firm's permanent staff will handle all client negotiations, and will oversee all client accounts. The primary advantage to be derived from using



subcontractors will be to allow the firm optimal flexibility in managing a variable client load.

❑ **A Manufacturing Component.** Long-term, this company expects to manufacture a variety of documentation and training products, for licensing, sale and distribution worldwide. A particular emphasis will be placed upon the design and deployment of self-paced, industry-specific training materials for use by the customers of H&A business clients.

❑ **Eventual Franchising of the Concept.** The firm's leadership expects that, once the procedures essential in establishing and maintaining the H&A service concept have been refined through broader experience, this kind of service can be franchised in major population centers across the nation and around the world.

Mr. Hilton's wife, Mildred Freeney-Hilton, is the Vice President of the company. Mrs. Freeney-Hilton is a sociologist, and a professional trainer with extensive education and experience in the human resources, adult education and personnel development fields. She will head up the training component of the company.

H&A already owns an extensive inventory of computers, printers and software to support this venture. Limited debt financing in the amount of \$15,000 is needed to finance the acquisition of specialized telephone and other communications equipment, to upgrade existing computing and printing equipment, and to finance the marketing campaign described in the "Marketing Plan" section of this document.

The three-year projections developed in support of this business plan clearly demonstrate that the profit potential of this business far exceeds its start-up and maintenance costs.

ABOUT THE BUSINESS

The Demand for Writing Services

Despite our increasing dependence on electronic media for instant communications, the written word continues to be a primary means of exchanging information and ideas worldwide.

Existing and start-up businesses in Colorado alone spend millions of dollars each year in the preparation of business plans, proposals, reports, marketing brochures, and other written communications materials. Smaller firms are particularly handicapped because their available expertise is usually limited to whatever skills are needed to maintain their businesses, and that usually *doesn't* include writing effective communications materials.

Most of Colorado's 40,000 businesses are small businesses, 90% of which employ fewer than ten people. Except for those firms that are themselves in the communications business, virtually all of these organizations need *affordable* editing, writing and training services.

The demand for writing services is so pervasive that it is difficult to get a meaningful "handle" on the universe of demand for such services. No meaningful figures are available concerning the demand for writing services among businesses, government agencies, and countless public and private agencies, associations, and other organizations. However, annual revenues for this small company have ranged from \$35,000 to \$60,000 over the past three years, without the advantage of the expanded marketing and subcontractor support called for in this plan.

Particularly in today's competitive markets, every industry has a need for effective writing services in the preparation of business plans, reports, proposals, internal training aids, press materials, speeches, brochures and other business communications materials.

Written materials must often be mass-produced, made as readable as possible for a general audience, and packaged in an eye-appealing manner to attract the attention of readers. Such packaging may require the involvement of graphics designers and photographers. These types of skilled professionals will be included among H&A's subcontractors, as will printers who can handle print runs of any magnitude.



The demand for writing services is being met in a variety of ways. Most segments of the consuming public rely on non-professional writers to meet their sporadic needs for important internal and external documents. Organizations that have a more frequent need for highly visible, written documents usually hire their own professional writers.

But a growing number of organizations that are not primarily in the documentation business are seeking every available opportunity to streamline their operating costs so that they can be more competitive in a world market. These firms are turning to outside writing organizations to fulfill their documentation needs.

Because they are not permanent employees, contract writers do not represent a long-term expense for the hiring first. They can be called in only when needed, and do not become part of the employee benefits burden carried by most companies.

While the physical act of writing is essentially the same for everyone, the types of products written are as diverse in purpose, content, and design as the clients who need them. This diversity is reflected in the labels given to various types of writers. There are journalists, copywriters, speechwriters, scriptwriters, novelists, poets, technical writers, financial writers, legislative analysts, critics, academicians, and business writers, to name a few, generally recognized categories. Each distinguishable field of writing requires a particular industry perspective, research strategy, and writing style. (In many industries, the styles are strictly governed by published standards, called *style guides*.)

The better able a writing support organization is to respond to a diversity of writing needs, the broader will be its market of potential clients. H&A has deliberately structured its service to encompass the preparation of such high-demand products as:

Proposals Includes grant proposals, bid responses, and client sales proposals of the type commonly used by service companies (like advertising and public relations firms) in building their businesses.

Business Plans For businesses and corporations of all sizes.

Reports Includes corporate annual reports, financial reports, and research reports.

Marketing Materials Includes marketing plans, brochures, newsletters, press releases, press kits, direct mail promotional materials, audio/visual aids, product catalogs, etc.

Technical Documentation Includes technical and procedures manuals, hardware and software installation guides, and user guides.

Training Courses and Training Aids Emphasis on job-related, self-paced instructional resources, and end user training materials designed to promote the sale and proper use of new products and services.

The firm's leadership also has experience and expertise in writing speeches, articles, book-length manuscripts on a wide variety of subjects, and published proceedings from major conferences.

The Demand for Training Services

Phrases like "adult and continuing education" and "lifelong learning" were very much in the limelight about five years ago, when the press was enamored with the idea, and the federal government was spending millions of dollars to promote it. People don't *talk* about it as much today, but they are still *doing* it, in increasing numbers. Associated services, in the areas of adult counseling and career planning, are also being used to an increasing extent, especially whenever those services are financed by employers.

The ever-changing realities of our technological age make lifelong learning more a necessity than a luxury. Americans are pursuing both formal and informal learning opportunities, in a broader range of subjects, in greater numbers than at any time in the history of this country. Except where costs are prohibitive—which is a growing problem for parents of private school youth—most of the formal learning opportunities are still being provided in our national school and college systems. Among adult learners, however, and particularly among employed persons who may be taking courses part-time, there is a wide variety of public and private providers



of instructional services.

Among adult learners, the most popular training services are those that:

- Relate most directly and immediately to income-producing activity (i.e., job- or career-related training)
- Are being financed by someone other than the learner (i.e., employers or social service organizations that guarantee payment of all or part of the required tuition)
- Are self-paced instructional opportunities that don't require participation in formal classes, and that allow learners to acquire the knowledge and skills they need on their own terms, at places, times, and in ways that are most effective for them.

H&A's overall strategy in its training component will be to develop products and services that are compatible with these primary interests. Many of the firm's subcontractors will be experienced adult educators with in-depth knowledge in curriculum design, course content in job-related areas, and course delivery methodologies. The writing resources of the firm will be closely coordinated with the training resources in the production of useful, attractive, and salable printed and audio/visual training aids.

As in the documentation community, training is being provided either on an individual, freelance basis, or by established training firms. Individual trainers are prospective subcontractors to H&A, while training firms are *at least potentially* direct competitors, but only to the extent that they are offering the same kinds of training as H&A.

Most training firms are specialized, i.e., they offer training on specified topics. Hence, these firms rely heavily on pre-designed training curricula, instead of working with clients to develop customized courses and programs. H&A intends to offer *customized training that meets the specific requirements of the firm's clients*. Hence, H&A will design and develop the training the firm delivers, and will not rely solely on "canned," pre-designed programs.

The concept of training is highly adaptable to a variety of settings and circumstances. Certain principles underlie the design of training courses and programs for virtually any purpose. H&A will employ persons with substantial education in and experience with these principles in meeting the needs of its clients.

Training involves three categories of activities:

Training Design Involves assessing the needs (down to the level of individual knowledge and skill sets) required to perform a job; defining an approach toward imparting the required knowledge and skill sets; and devising an appropriate "filter" to determine who can, and cannot benefit from the proposed training. (The filter is designed to screen out persons whose attitudes and skill levels would frustrate the goals of the training experience, or who lack the intellectual capacity to benefit from a particular training experience.)

Training Development Training manuals, printed job aids, and audio visual aids are produced for use in support of the training experience.

Training Delivery Concerned with the actual conduct of the training, based on the design and using the supporting manuals and aids that have been developed.

H&A recognizes that many of the fields in which training is most needed are underserved, primarily because of the emphasis within the industry upon "group" training experiences. Hence, if all the salespeople in a store need to be trained, they must all be off the sales floor during the course of the training, or they must be brought in on an overtime basis to receive the training. The problem of making training *convenient* is often just as important as making training *effective* and *affordable*.

H&A will address this problem by placing a special emphasis upon the development of self-instructional materials that don't require formal "classes" or substantial time commitments by groups of trainees. H&A will design and develop these materials to the specifications of the client, using programmed instruction and other appropriate self-paced learning strategies.



How the Company Will Function

Role of the Permanent Staff

The permanent staff of the firm will work to further the goals of the company by:

- Aggressively marketing the firm's capabilities among clients who need the editing, writing, and training services being delivered. The details of the firm's marketing plan are described in "Marketing Plan."
- Negotiating work contracts with clients.
- Coordinating the efforts of subcontractors in the execution of client contracts. H&A permanent staff and subcontractors will be organized into project teams in handling all client contracts, and permanent staff will have the primary responsibility for managing those teams. Under this approach, permanent staff members are always responsible for ensuring a qualitative and timely response to client needs.
- Selecting and evaluating subcontractors. Just as the firm will make a special effort to recruit clients, it will make the same kind of effort to recruit quality subcontractors.
- Handling administrative support details, including accounting, client billing, and payroll for permanent staff and subcontractors, in addition to serving as a single point of contact for clients and subcontractors. The permanent staff will also be responsible—with the advice and assistance of the Professional Advisory Committee (PAC)—for formulating a range of legally binding contracts that will govern H&A relationships with clients, subcontractors and suppliers.
- Handling all logistics in connection with training activities, including scheduling meeting facilities, orienting trainers, handling registration, generating invitations, and evaluating the training.
- Providing professional development opportunities for permanent staff members and subcontractors. Partly because quality service to clients demands that the firm keep abreast of technological changes, and partly as an inducement to high-quality, freelance writers and trainers, H&A will sponsor professional seminars and workshops throughout the year for the members of its subcontractor network.

Relationship with Clients

Selling any kind of *service* poses certain accountability problems from the outset, and these must be anticipated and effectively addressed. When people are buying tangible *things* (fruit, cans of soup, yards of cloth) they can see and feel in advance exactly what they are getting. The chances for disappointment after the product has been paid for are greatly reduced.

When clients order writing services, they must trust that the job will be done satisfactorily until they actually see at least an early draft of it. If that draft doesn't meet with their expectations, the time and effort invested in its production will have been wasted.

Hence, early negotiations with clients must be handled carefully, and these will only be conducted by permanent staff members who have been specially trained for this purpose by the firm's leadership. (Initial consultations with prospective clients are offered at no charge.)

Whenever appropriate, and always on major projects, special "mock ups" will be produced to show clients, to the extent possible, how final products will be organized and appear. Clients will be required to "sign off" on each stage of development, including the mock ups. Clients will also be asked to provide examples of the kind of work they want produced before any assignments begin, to further minimize the chances for miscommunication.

As a further step toward ensuring a generally smooth operation, H&A reserves the right to accept or reject prospective clients. Persons who, for any reason, refuse to sign a client contract; whose ability to pay for the services rendered is questionable; or who exhibit attitudes and behaviors that could be disruptive to a professional working relationship, will not be accepted as clients.

Many of H&A's clients will be entrusting the firm, and its subcontractors, with proprietary information. H&A



will sign reasonable non-disclosure agreements designed to protect the interests of the client, after such agreements have been approved by the firm's attorney. In general, highly confidential assignments will only be handled by a permanent staff member, unless the client requests or agrees to some other arrangement.

Following each initial consultation on a new project, and with the prior approval of the firm's leadership, H&A staff will prepare a written proposal defining the rationale, proposed scope of work, and budget for the project. These proposals typically run 3-5 pages in length, and must be approved by the president or vice president of the firm before they are released.

Because the preparation of client proposals takes time (and the cost of this activity is absorbed by the firm), every effort is made during the initial consultation to ensure that this proposal-writing step has a high probability of resulting in a new account, or additional business from an existing account.

During this initial consultation H&A staff members make every effort to determine:

- Who is the audience for the particular writing or training product?
- What is it that the client hopes to see happen because this product was provided? (What should be the consequences of making the product available?)
- How much is the client willing to pay for the product?
- What kinds of payment terms are most acceptable to the client (30-day terms, scheduled installments, weekly billings, etc.).
- What are the terms and conditions under which the product is to be provided? For example, if completing the project will be a shared responsibility involving the client and a team of vendors, which team members will be responsible for which aspects of the job? How will the team members coordinate their respective roles and responsibilities?
- What types of information and expertise will be required by H&A in order to fulfill its project obligations? (This information is essential, since the company may have to arrange to subcontract for the necessary talent.)
- What are some possible "hooks" that can be built into H&A's proposal? (Hooks are attractive fringe benefits that can make the difference between success and failure in a competitive bid situation. Hence, H&A might offer to throw in free printing up to a certain quantity, or to maintain a mailing list at no additional cost to the client.)
- What is the *ultimate* deadline for completion of the project? (Depending on the magnitude of the project, H&A staff will negotiate a series of draft deadlines leading up to the "ultimate" deadline for project completion.)

In evaluating a new project opportunity, H&A staff will also be alert to new or ancillary business opportunities that might derive from the current contract opportunity. These additional opportunities might not be acknowledged in writing in the client proposal, but H&A personnel will be trained to be on the alert for them anyhow. Indeed, preference will be given to accepting contracts that offer a great deal of potential for future business.

Eventually, client proposals are incorporated into a mutually binding contract defining the relationship between H&A and its clients. Prior to the signing of that contract, several drafts of the proposal may be reviewed, discussed, and modified by either H&A or the client.

A major goal of the client proposal is to prevent future problems in the relationship between the company and its clients .

Each client proposal concludes with a commitment of a follow-up call, within a specified time, by the staff member who handled the initial consultation. H&A maintains a computerized calendar to help ensure that follow-up commitments are not overlooked.



The Role of the Subcontractors

H&A's leadership recognizes the importance of treating subcontractors strictly as subcontractors, rather than as employees, so as to minimize the firm's overhead and thus help ensure its competitive position in the marketplace. The use of subcontractors also provides the firm with the kind of elasticity in staffing resources that is so essential in responding to fluctuations in the demand for its services.

Subcontractors will be *carefully* selected, and internal work flows, as well as the pace of the company's overall growth, will be controlled to ensure that commitments to clients never exceed the availability of competent staff.

For the purposes of this venture, the ideal subcontractor will be someone who:

- Has demonstrable interest, experience, and talent in the areas of editing, writing, or training required by H&A's clients.
- Owns his or her text-editing equipment.
- Maintains his or her own separate place of business.
- Is able to provide at least 20 hours of service each month to H&A's clients.

As a condition of their acceptance as H&A subcontractors, these individuals will be required to sign two critical agreements:

- A non-compete agreement, prohibiting them from competing directly with the company for the company's established clients. The agreement will apply for one year after they cease to be associated with H&A.
- An employment agreement that binds them to the nondisclosure of the proprietary information of H&A and the firm's clients.

The credentials of prospective new subcontractors will be carefully evaluated before they are "registered" into the network. Applicants must submit resumes, and a recent writing sample, or provide evidence of experience supporting their claims of expertise. Prospective subcontractors will also be visited in their worksites (homes or offices), so that a permanent staff member can confirm first-hand that these individuals are suitably equipped to handle work assignments from the company.

Once selected for inclusion in H&A's subcontractor network, these individuals will be asked to complete a survey questionnaire that details information about the kinds of writing they do, the hardware and software they use, and other work resources that may be available to them.

As the firm's permanent staff is expanded, priority consideration will be given to hiring the most loyal and qualified subcontractors in H&A's network.

Productivity Aids

H&A is being designed from the ground up to be a high-volume, creative services enterprise. The firm therefore makes optimal use of the latest communications technologies, not only in servicing its clients, but also to ensure maximum efficiency in its internal operations.

Accordingly, the following tools and procedures will be used to ensure that the firm can keep abreast of the demand for its services, without having to invest substantially in manual support systems:

- A series of software programs have been developed by Mr. Hilton, and are his exclusive property, to facilitate making projections on the amount of time (and therefore the expense) of producing documents and training courses of varying lengths. These so called *Calendaring Programs* are Dbase III+ applications that automatically generate production deadlines and cost estimates, based on the length of the document or training course that is to be delivered. The programs have been tried and tested, with positive results, in the Documentation and Training department of U S West Advanced Technologies.



- By specializing in a finite number of documents, of a particular type, H&A is able to develop and maintain re-usable templates and boilerplate that will make it easier to produce documents of a particular type in the future. A soft-copy template is the outline of a particular type of document that can be given to a writer in a diskette file. The writer can then modify that template where appropriate, and use it as a guide in preparing other documents of the same type.

Boilerplate is standard text that can be re-used repeatedly to prevent the expense of repetitive typing. Hence, historical information about a client firm for which numerous grant proposals are being written can be merged into each new proposal in far less time than it would take to reconceptualize and re-write those details.

Because of the firm's use of templates and boilerplate, clients who make frequent use of H&A services will find that, in the long run, their costs will actually *decrease* because it will take less time for the company to prepare professional documents of a routine nature. This point will be emphasized in the firm's marketing activities.

- H&A's staff use and own a wide variety of software products, including word processors, database programs, spreadsheets, project management software, desktop publishing/page layout software, and other productivity tools. Hence, the firm can accept client information in electronic form, work with it using the same applications that the client uses, and return it to the client in a form in which the client can easily manipulate that data.
- Under the present request for expansion funding, H&A will acquire a FAX machine for the speedy exchange of documents between and among clients and subcontractors, and a scanner that will allow the firm to convert a client's original typed material into a computer disk file for easier manipulation and professional publication.

Product Development

While a primary focus of H&A will always be upon the provision of writing and training *services*, the firm expects to gradually evolve a manufacturing component in which a wide range of printed and audio/visual communications aids will be sold to clients and to the general public.

The types of products that are likely to be developed are expected to be as simple, as functional and as popular as 3M's Post-Its (notepads with gummed sheets that allow consumers to stick handwritten messages anywhere). Following are three examples of the types of products the firm will be developing for sale:

Business Planning Support (BPS) Program

This strategy for helping start-up and small firms successfully complete the business planning process centers around the development of a training course for selected intermediaries (e.g., local chambers of commerce and other business support organizations, financial planners, investment bankers, venture capitalists, etc.). These intermediaries will be trained to assist local entrepreneurs who want to start their own businesses, using a series of orientation tools and questionnaires that have been developed by H&A. Local entrepreneurs will use these tools, and the advice that their intermediaries are trained to give them to assemble the essential facts of their business and will submit that information to H&A. H&A will then use the information to produce top-quality, professional-looking business plans. Clients complete the needed research and pay for the service in installments, over a period of months. The option of making installment payments is expected to make this opportunity particularly attractive to small, start-up firms that are operating on limited budgets.

Writing Development Service (WDS)

A personal, correspondence service that is useful in teaching individuals how to strengthen their written communications skills. Based on the principle that practice makes perfect, the service will use a proprietary, computerized database application that automatically generates a variety of practice exercises designed to



eliminate the writing flaws reflected in writing samples received from program participants. This confidential service can be subscribed to by individuals or groups (i.e., a corporation might enroll certain managers or classes of employees).

Customized Quick Reference Guides

A series of job aids that are industry-specific and can be used to help quickly orient employees to the jargon, policies, and practices within those industries. Hence, a law office employee can be given a primer on the nature and functioning of the law office, the most common legal terminology, and a summary of the steps involved in completing certain procedures in support of the firm's partners.

Over time, we expect that certain of the industry-specific training materials we develop will be re-usable for a wide variety of clients, and may be published as products. Hence, H&A will retain ownership of all training designs, and will, in effect, license the use of the materials by the clients for which they were developed. The materials will be archived and cataloged, and will be available for use on the broadest possible scale within each industry to which they apply.

For each new product initiative, H&A will develop a business plan to determine the feasibility, marketability, and profitability of the venture before R&D funds are dedicated to its design and development.

Copyrights will be obtained on all products. The firm's policy will be to retain ownership of innovative products, procedures, and approaches, and to license the use of same to others whenever possible and appropriate.

No special physical plant will be necessary for H&A product development, due to the nature of the types of products to be developed.

Items produced by H&A will be conceived, designed, prototype, and tested in-house. Subcontractors (usually printers, designers, and audio visual experts) will be retained as necessary to finalize the development and deployment of those products.

The firm will retain a list of backup suppliers for any raw materials or essential services required in this aspect of the firm's operations.

Overview of Funding Requirements and Intended Uses of Funds

Hilton & Associates is seeking debt financing in the amount of \$15,000 to support the launching of this innovative business concept. Those funds will be used for the following purposes:

- To finance an aggressive, multifaceted marketing campaign designed to establish the firm's presence in major local markets.
- To finance RAM and mass storage upgrades for the more than \$20,000 worth of computers and printers already owned by the company.
- To finance the acquisition of specialized telecommunications and text-editing equipment for use by H&A permanent staff and subcontractors. That equipment will include dedicated business phone lines (supported by voice messaging and teleconferencing capabilities), a photocopier, a FAX machine, a scanner, one printer, and two microcomputers (a high-performance IBM or compatible, and an Apple Macintosh).

MANAGEMENT AND ORGANIZATION

Legal Structure of the Firm

Hilton & Associates will continue to function as a sole proprietorship, and will rely heavily on its contracting



arrangements with clients, suppliers, and subcontractors to minimize operation-related liabilities. Since there is no expectation that public funding will ever be needed in support of this venture, there are no plans to incorporate at this time.

Internal Structure

A graphic overview of the internal structure of the company is available upon request "H&A Organization Chart." (Appendix A) That structure includes the following components:

- H&A's management team, which includes the President, Vice President, an Operations Manager, and an Administrative Assistant. Appendix B contains the resume and publications list of William J. Hilton, the firm's founder and president.
 - Appendix C contains the resume of Mildred Freney-Hilton, Vice President.
 - Appendix D describes the role and responsibilities of all management team members.
- A Professional Advisory Committee (PAC), comprised of legal, accounting, and technical experts who will be convened at least six times each year to review the progress of the firm, and to make recommendations regarding its future directions. Investor representation is also welcomed on this committee. No more than eight persons will serve on the PAC in any year, and all will serve for one-year, renewable terms. Core staff members and H&A subcontractors also qualify to serve on the PAC.
 - Appendix E lists the current appointees to the PAC. As of this writing, the firm is still seeking committee representation in the fields of accounting and insurance. The following knowledge and skill sets will be represented on the PAC. (This list will be amended as experience and new products and services dictate.)
 - The PAC will be able to offer advice and assistance concerning:
 - Desktop publishing equipment, methods, and procedures
 - Staff management and supervision
 - Consultative selling techniques
 - Federal, state and local tax laws
 - Financial accounting procedures and requirements
 - The management of documentation projects
 - The management of training projects
 - Trends in the computer graphics industry
 - Printing methods and options
 - Trends in the use of microcomputer hardware and software for text editing and related purposes.
- Subcontractors to H&A who will be called upon to augment the efforts of the permanent staff. A roster of the individuals already identified, and a brief description of their backgrounds, appears in Appendix F.

Note: Appendices mentioned herein are available upon request and were not included at the time of submission

As the firm grows, the management team functioning will, of necessity, become more specialized. A Human Resources professional will be added to the team and, in anticipation of future expansion, a Franchise Manager will eventually be hired to spearhead the deployment of this concept into other major cities across the nation.

Exit Strategy

H&A will consider the sale of the firm, but only after the concept has been established and franchised in major urban areas throughout the United States. The leadership of the firm expects to retain all foreign rights to proprietary products, services, and licensable procedures.



COMPETITIVE ANALYSIS

Who Are the Firm's Competitors?

An important distinction must be made at the outset among the various sources of commercial writing and training services that operate in the Colorado marketplace. Among the organizations that must be excluded from H&A's competition immediately are the temporary clerical help firms that offer "clerical support services" to clients on a contractual basis. Leaders in that industry include Kelly Services, Manpower, The Job Store, and Norrell. These are *not* H&A's competitors.

H&A staff *edit and write materials* for clients, and in the process, documents get typed, and even mass produced, but that is incidental to the creative support that the company provides to its clients. H&A is *not* a clerical support service.

H&A has made an aggressive search for objective information about its competitors. During April, 1990, two H&A associates conducted two telephone surveys for the purpose of gathering information about the nature and scope of the firm's competition, and about consumer demands for writing and training services.

One telephone survey was addressed to 71 writing and training services providers; the other to 48 potential corporate clients, all from high tech firms. Because of the sensitive nature of the information being sought, and the firm's presumption that particularly the service providers would be understandably reluctant to cooperate with a competitor, some subterfuge was used in the phone survey that was directed to providers. The interviewer who called the providers pretended to be a client seeking writing and training assistance.

The interviewer who called prospective clients frankly confessed to doing market research for a new company planning to offer such services and seeking consumer feedback on the demand for those services.

The two surveys revealed the following:

- Among the providers who participated in the survey, all but three firms (called herein "creative writing support organizations") are primarily in the business of providing technical writing services. In all but a few cases, those services were provided on a limited scale, and typically as an adjunct to other contracted technical services. Details about the three creative writing support organizations are presented in the "Competitive Analysis" section.
- Nearly a third (27%) of the providers who once presented themselves as sources of contract writing and/or training services have either gone out of business or are no longer promoting that aspect of their business.
- Consumers of technical writing services are not forecasting any increase in the demand for those particular services, though it seems likely that the present level of demand will persist for some time to come.

The surveys also collected valuable pricing information on the hourly rates charged for editing, writing and training services. As might be expected, that information was derived primarily from the audience of corporate consumers of such services.

H&A's competitors-people who may appear to offer all or many of the same services that firm offers-fall into three categories:

- Individual, freelance writers and trainers, many of whom work out of their own homes or offices, providing contractual services to local firms, government agencies, and organizations.
- Established "job shops" that recruit writers and trainers who either staff centralized support organizations or are placed with local firms and agencies on a temporary, contractual basis. These job shops earn revenues by collecting overrides on the salaries paid to the personnel whom they place.
- Firms like H&A that provide editing and creative writing services for selected clients.



Following is an analysis of our competition in all three of these categories.

Individual Freelance Writers

Individual freelance writers are not perceived as being competitors in the same way that job shops are. In effect, H&A will be drawing on this talent pool to supplement its own staff activities. Hence, the firm views independents more as allies than competitors.

Job Shops

Job shops are another matter. Our research to date indicates that there are at least 55 firms in Colorado that make writing services available to clients on a temporary, contractual basis. These firms would appear to be direct competitors to a writing services company, but, in fact, only a few of these firms offer the kinds of services provided by H&A.

The vast majority of these firms place only *technical writers*, or directly provide *technical writing services* to high tech clients. Often these services are provided only as an adjunct to other contractual services these firms offer their clients. Most of these firms primarily subcontract computer programmers, engineers, draftsmen, and other technical professionals. Some also subcontract project management personnel in technical fields. They do not, for the most part, aggressively promote non-technical writing services.

While H&A staff will pursue technical writing opportunities, in direct competition with these job shops, that aspect of the business represents only part of the firm's repertoire, so that job shops are not perceived at this time to be major direct competitors.

Creative Writing Support Organizations

Original ideas are the stock-in-trade of creative writing support organizations, Job shops provide writing services that are primarily geared toward documenting what exists; while creative writing organizations are called upon to give form and substance to the ideas they document, and to write materials that are pedagogically sound in their approach and persuasive—as well as factual—in their contents.

A technical manual may document the features and benefits of a particular hardware or software product, but a business plan—especially for a start-up firm requires documenting processes and procedures that are not yet in place. The writer of such plans must bring to that task certain knowledge about the practical requirements of owning and operating a business, along with an appreciation for the kinds of information that should be included in a plan to satisfy the informational requirements of prospective funders, suppliers, and the entrepreneurs themselves.

The proper preparation of an *effective* business plan, or proposal, or sales presentation, or speech is a far more creative exercise than is generally recognized, and few companies currently exist that are staffed to provide this kind of service.

To the universe of potential H&A clients, three Colorado firms will "appear" to offer the same services, and are therefore being treated here as direct competitors to H&A. They are all small businesses, located in the Denver metropolitan area.

Those firms are:

- Infinite Energy
- TIA/Technical Information Associates, Inc.
- Edutech, Inc.

Following is additional background information on each of these firms.



Infinite Energy: A Marketing and Communications Consultancy

Rebecca Vories, the founder and owner of Infinite Energy, comes out of an energy research and development background. She built her business primarily by applying marketing communications techniques to the needs of clients in the energy industry, in which she has many long-standing contacts and a national reputation for her research and analytical expertise. The firm is currently working to diversify its client base, but its credentials, expertise and experience appear strongest in the energy industry.

The firm employs fewer than five permanent staff, and uses subcontractors to extend its capabilities when needed. It has been in business for three years.

Infinite Energy offers a wide range of traditional marketing communications services, including:

- Market research
- The design and development of marketing plans
- Advertising (including the development of ad copy and graphics, brochures, and direct mail materials)
- Public relations
- Business plan development (excluding the preparation of financial projections)
- Writing and editing of technical materials
- Evaluation services (assisting government agencies in assessing the impact of their activities)
- Policy analysis
- Training services (specifically, the design and development of in-house workshops, train-the-trainer experiences, and the organization and promotion of conferences)

The firm also offers what Ms. Vories calls "coaching" to help her clients evaluate their own current and proposed marketing strategies.

The firm's pricing is negotiable, but clients are typically billed at a \$65.00 per hour rate.

Infinite Energy's strong ties to a particular industry- and to an industry that has seen better days!—clearly puts it at a competitive disadvantage in today's market. The firm doesn't offer the range of products offered by H&A, and does not appear to have the adult learning theoretical and practical background so essential in the design and delivery of training services.

TIA/Technical Information Associates

This firm has been in business since 1987, and currently employs five individuals, including its president and founder, Ms. Doann Houghton-Alico. Subcontracted employees are used to extend staff capabilities when needed.

The firm has established relationships with several leading companies, including Kaiser Permanente, Citicorps' Diners Club, Aspect Telecommunications, Eastman Kodak, and Meredith/Burda. Its services include the following:

- Designing and producing information materials such as business plans, proposals and policy/procedure manuals.
- Developing training materials, conducting end-user training and staffing train-the-trainer workshops.
- Reviewing, critiquing and editing client drafts.
- Creating a projector company-specific design plan and style guide.

The firm's writing and production services include help in the preparation of technical manuals, reports, sales guides, and standards manuals. Its training services include the preparation of user guides, quick reference guides and audio/visual materials. TIA will also conduct workshops for its clients, and uses a project team approach in working with its clients to address their communications support needs.

TIA boasts expertise in cognitive processing, adult learning and ergonomics, all of which are fundamental to



the effective design of training materials and aids. It also reports that 80% of its business is repeat business.

The firm prices its services either by project, or on an hourly basis, to be negotiated with its clients. Specific pricing parameters were not available for this analysis.

TIA comes closer to H&A than any of its other direct competitors in the expertise it offers, in its breadth of experience and in the diversity of its client base. However, H&A offers more high demand services to a broader potential client base. There is no indication, for example, that TIA has any experience in the areas of writing speeches or press materials.

The firm publishes a newsletter (*Documenter*) among current and prospective clients, and uses that communications vehicle to tout its expertise and to announce new and current services.

Edutech, Inc.

This firm opened its doors in 1984 and now employs 6-10 people. Alfred C. Loya is the president of Edutech.

The firm specializes in providing the following services, mainly to high tech companies like AT&T and Bell Labs:

- Customer Presentations
- Sales Training
- Equipment Demonstrations
- Market Research
- Competitive Product Analyses
- Marketing Strategies Development
- Due Diligence Services (re: personnel or company capabilities)

The firm boasts experience in working in international markets, and exceptional graphics design and production capabilities (none of which were evident in its own promotional literature). Writing services are available in the production of technical manuals, business plans, reports and brochures, but the company's primary emphasis is upon the design and delivery of pre-packaged and customized training experiences.

Like H&A, this firm uses both permanent and subcontracted staff resources in serving its clients. It is clear that pricing is negotiated on a contractual basis, but the specific pricing parameters were not available for including in this analysis.

Edutech's focus differs from that of H&A in the following ways:

- Edutech specializes in serving high tech companies, and seems to have a substantial installed client base in that arena.
- Edutech's primary focus is on training.
- While Edutech acknowledges the significance of self-paced training materials in its brochure, that is not a primary focus of the firm's training activities at this time.
- There is no evidence of substantial adult education training in Edutech, as there is in H&A.

In reality, the nature of the communications business is such that *every* organization with demonstrable expertise in writing and training can provide a wide range of services, both to clients and—on a subcontractual basis—to each other. Indeed, H&A anticipates that its expertise will be tapped by many of its direct competitors over the coming months. The joint venture marketing strategy described later represents a conscious effort of the part of H&A's leadership to capitalize upon that reality.

Basis for Competition

A well-written, beautifully produced document that accomplishes a client's communications goals is a job to behold, regardless of who produced it. There is nothing H&A can do to improve upon the concept of quality



writing and training products—except to make them more affordable to a broader base of clients.

Hence, H&A will compete primarily on the bases of price and quality. The firm expects to enjoy a major advantage in the market place because of its expertise in this area of service, its marketing acumen, and its low overhead.

Lower prices, combined with H&A's joint venturing strategy (see Market Penetration Method), virtually assure our success in the firm's chosen markets.

Because of the range of products and services offered by H&A, the concept of "market share" presents a special challenge. Contract writing services can be desegregated into many different types of writing, each of which has its own potential "market." Similarly, H&A's training products appeal to diverse markets. Any attempt to assess the dimensions of a *global* market share would be difficult and, ultimately, meaningless. Knowing that Colorado firms spend \$10 million a year on contract writing services doesn't help H&A unless the firm knows exactly what type of writing services are being sold most often, or most profitably.

It was primarily because of the firm's need for clearer guidance in the design and implementation of its marketing strategy that H&A undertook the telephone surveys of prospective clients and competitors, which is discussed in the "Marketing Plan" section.

PRICING

H&A expects to derive revenues from five activities, and its financial projections reflect these revenue sources. Following is an overview of these activities and a more detailed explanation of each.

Activity	Cost/Hours	Price/Hours
Edits/Rewrites	28.00	35.00
Original Writing & Research	40.00	50.00
Data Processing Support	20.00	25.00
Training Services	32.00	40.00
Other Income	Varies	

Activity	Cost/Hours	Price/Hours
Edits/Rewrites	28.00	35.00
Original Writing & Research	40.00	50.00
Data Processing Support	20.00	25.00
Training Services	32.00	40.00
Other Income	Varies	

Note that for both documentation and training services the "Cost/Hours" figure is the salary paid to subcontractors on an hourly basis, and the "Price/Hours" figure is the amount charged to the client. On the projections that are appended to this plan, subcontractor costs are distinguished from permanent staff costs for accounting and control purposes.

These activities are defined as follows:

Edits/Rewrites

H&A staff and subcontractors work from clients' preliminary drafts, without further research, and produce quality documents.

Original Writing and Research

H&A interview clients in detail about their requirements, conduct the necessary research, and produce quality documents.



Data Processing Support

H&A uses electronic spreadsheets to produce budget printouts, and database software to maintain mailing lists. H&A can also generate customized form letters to clients' target audiences, on clients' stationery.

Training Services

H&A will design, develop, and deliver courses to client specifications. Budgets are projected based on the length of the course, using a 10/1 ratio. Hence, a 4-hour course requires 40 hours of effort, at the \$40.00 per hour rate.

Other Income

This option is left in H&A's projections to allow for the possibility of income derived from such activities as leasing equipment to subcontractors, the liquidation of company assets, etc.

OPERATING AND CONTROL SYSTEM

H&A's leadership recognizes the need for at least three types of internal controls to ensure efficient and cost-effective operation of this venture:

- Accounting Controls
- Marketing Controls
- Performance Controls

Accounting Controls

For accounting purposes, H&A currently uses a Client Time and Billing Program that was written by Mr. Hilton. That program:

- Stores transaction data for tax accounting purposes. It permits the storage, manipulation and retrieval of travel and "Other" expenses, as well as hourly billings.
- Automatically calculates bills and generates individual invoices.
- Allows the firm to apply discounts to bills.
- Generates a series of reports reflecting: all invoices by client; all payments by client; and a summary of billings minus payments by client.

Despite its usefulness at the present time, the program is not well-suited for the level of expanded activities that H&A anticipates. There is no payroll component, and day-to-day expenses must be stored in a separate program designed for managing state and federal tax accounting.

Because of the variety of accounting software features and capabilities on the market today, a careful analysis will be made of the firm's record-keeping and reporting requirements before a suitable computerized system is acquired. Final recommendations in that regard will be approved in advance by the PAC. The firm will offer customers 30-day terms, and will bill in monthly installments. A discount of 3-5% will be offered for prompt payment of invoices. Preferred customers will also be offered 30-day terms, and credit will be extended selectively.

Marketing Controls

Marketing controls are simply measures of the firm's success in making prospective clients aware of its capabilities. A variety of outreach strategies are included in H&A's overall marketing plan. Marketing controls derive from the firm's consciousness of the need to know:



- Which strategies are most effective in reaching target markets?
- Which strategies are most cost-effective (i.e., have the greatest impact for the least expense)?

Periodic assessments of these strategies will be made by interviewing clients ("How did you hear about our company?"), and by comparing the internal costs of alternative marketing strategies in relation to their outcomes, as a basis for future decision making.

Many of the parameters for H&A's marketing controls will be derived during its survey of prospective clients, which will be discussed in greater detail in the "Marketing Plan."

Performance Controls

While the firm will not deliberately conceal that reality, the fact that H&A's subcontractors are themselves independent business persons will be transparent to the firm's clients. Both permanent staff and subcontractors will be expected to respond to client's needs, and the quality of that response will lay the foundation for future business.

The permanent staff members will have the primary responsibility for evaluating the performance of subcontractors. A file will be maintained on each permanent employee and subcontractor, and formal performance reviews will be conducted for each employee every six months.

Clients will also be asked to provide brief and candid evaluations of company personnel at the end of each project, and all of the feedback gathered will be factored into H&A's bonus awards strategy.

MARKETING PLAN

Marketing Needs Assessment

Hilton & Associates subscribes to the view that if you don't know where you're going, you're likely to wind up somewhere else!

That is why H&A has invested considerable time and energy into carefully researching its current and potential markets in order to chart a course for the future growth and profitability of the firm. H&A's market planning effort began with a multi-faceted needs assessment designed to answer the following questions:

- Who are the other providers of editing, writing and training services, and how do their offerings compare with those of H&A?
- What kinds and how many clients in the Denver market are likely to be most receptive to the kinds of services offered by H&A?

The answer to the first question is presented in the "Competitive Analysis" section of this plan. That section summarizes the results of two telephone surveys that were conducted by H&A associates during April, 1990.

The second key question—relating to the demand for a more creative range of writing services—has not yet been the subject of direct telephone surveys, though such surveys are contemplated over the coming weeks. For H&A's immediate planning purposes, library research was done in support of a needs assessment schema that involved the following elements:

□ A finite number of editing, writing and training services in which the company has, or can acquire expertise were identified. This effort resulted in the following list of high-demand communications products: proposals, business plans, reports, marketing materials, technical documents, training courses, speeches, books/booklets and published proceedings from major conferences.

□ The universe of people and organizations in the Denver area who might use these services was then classified into three groups:



Clients Potential public and private sector end users of H&A services.

Referral Sources Companies and organizations that can refer clients to H&A, once they have been oriented to the goals and capabilities of the company.

Joint Venture Partners Business support organizations (including other creative writing firms) that might be willing to subcontract work to H&A as an adjunct to other services they provide to their clients.

□ An analysis was made of the numbers of businesses and other organizations in the Denver metropolitan area that fall into the categories of potential clients, referral sources, and joint venture partners. Appendix G, "Potential Demand for H&A Services," shows a breakout of the numbers of firms and organizations in each of the three categories that are likely to require any of the H&A products being offered. The statistics on firms and organizations were taken from the 1989 edition of *Contacts Influential*, a leading Rocky Mountain business reference.

The firm recognizes that this schema is imperfect since any given firm might qualify as a client, a referral source, and a joint venture partner. Even so, the scheme is a helpful starting point for organizing and prioritizing a multifaceted marketing effort.

During the next and final phase of this needs assessment, H&A will establish detailed marketing strategies for approaching clients, referral sources, and joint venture partners. Priorities will be established with each of these categories, and the marketing strategies will be implemented in priority sequence. The members of the PAC will be involved in reviewing both this overall process and the conclusions and decisions made as a result of it.

The remaining sections of this marketing plan highlight, in a general way, many of the strategies that have been anticipated for reaching out to the many markets available to H&A.

Specific Marketing Strategies

H&A's marketing plan encompasses the following specific strategies, each of which will be discussed in greater detail below:

- The development of Marketing Tools
- Building an identity within the firm's target markets
- Selective advertising
- Direct Mail Campaigns
- Trade show exposure
- Fostering repeat business
- Maintaining a sales-oriented organization
- Monitoring the marketing strategies of competitors.

Each of these strategies will be discussed in greater detail below.

Development of Marketing Tools

H&A will develop the usual tools to ensure that it projects a professional image in its various markets. These will include:

- Business cards and matching stationery
- An identifiable logomark
- A very professional-looking, easy-to-mail brochure that also serves as a printed capability statement
- A quarterly newsletter, which will be published as a key means of maintaining communications with and among current and prospective clients.



Building An Identity Within Target Markets

H&A will begin by identifying its target markets, and by isolating the most profitable of these. Those target markets will be represented in the upcoming telephone surveys, which will be designed to provide the firm with precise feedback on how best to promote its services in those markets.

Selective Advertising

H&A will run ads in selected trade journals for the purpose of establishing its visibility among potential clients.

There are no plans at this time for radio or television advertising. A display ad will be obtained in the *Yellow Pages*.

The firm will make a conscious effort to garner as much favorable publicity as possible in the general press, in order to optimize its visibility among its target markets.

In connection with the paid advertising campaigns, H&A will offer "freebie" publications, such as booklets on how to write a business plan, or how to write an annual report, primarily as a means of expanding its direct mail lists of firms that might need technical assistance in the communications area.

Direct Mail Campaigns

Hilton & Associates will maintain a variety of computerized databases, both for its own use and the use of its clients. Certain of those databases will be indispensable to the firm's marketing efforts, and those include:

- All news media in the state and nation, as well as foreign printed and electronic media in markets where the firm's products are available for sale.
- A list of contacts for conferences and meetings at which H&A will have trade show representation.
- Economic development organizations in Colorado and elsewhere that are committed to assisting small businesses in the sale and distribution of their products and services.
- International trade contacts who can offer assistance and advice in the area of foreign sales and marketing.
- Lists of active and prospective clients, referral sources, and joint venture partners.

Other lists will be added to the database as experience and the requirements of business dictate.

Trade Show Participation

H&A will exploit every available opportunity to highlight its services at trade shows attended by a substantial representation from its primary target markets. The Denver Convention and Tourism agency, and similar entities for other major cities, are recognized as a primary source of information about upcoming trade shows.

Fostering Repeat Business

H&A already has a list of satisfied clients who have a first-hand familiarity with the quality of the services provided by the company. The company will actively solicit new business referrals from its existing customer base.

Testimonials about the services provided by H&A will be actively solicited and this information will be summarized, where appropriate, in brochures and other promotional materials developed and distributed by the company.

Maintaining a Sales-Oriented Organization

To ensure the success of a small business, *everyone* in the company must be a salesperson. H&A permanent staff and subcontractors will receive special training designed to teach them how best to "grow the business"



while they are in the field.

Monitoring the Marketing Strategies of Competitors

H&A will maintain a constant vigil over the marketing activities of its competitors so that it can respond appropriately to strategies that may jeopardize its ability to realize its optimal market share.

SCHEDULE

H&A's first year schedule and plans are summarized in this section, but a five-year narrative reflecting the future growth of the venture is presented in the "Financial Data" section.

H&A will use the June-September, 1990 timeframe to acquire and upgrade equipment, train staff and subcontractors, and develop the database and other resources needed to support its marketing initiatives. The firm will also recruit new accounts all during this period.

During the fall of 1990, an aggressive kickoff campaign will be conducted. Funds set aside for selective advertising will be committed in support of that campaign.

H&A will maintain a home-based office during the rest of 1990, with substantial, dedicated office space and telephone service devoted entirely to this enterprise. During that period, client training classes will be conducted either on client premises, or at rented hotel accommodations.

FINANCIAL DATA

The Income and Expense projections for Hilton & Associates reflect the fact that the company is being vamped up from a one-man, part-time operation to a full-time venture that will ultimately employ dozens of workers nationwide. Hence, projected revenues rise slowly in 1990. A fall, 1990 marketing campaign will cause a substantial growth in the company's client base, and that growth will continue at a significant pace during 1991 and 1992, fueled by a sustained level of marketing, the performance of the venture, and the outcomes of the firm's R&D efforts.

Three years of detailed projections are provided (1990-1992), but five years (1990-1994) of expected trends are presented in narrative form in the section entitled "Annual Summary of Projections."

Assumptions

In this industry, inflation-related increases in income are negotiated as often as possible, while inflation-related costs are driven by general economic trends.

The hourly rates charged to customers in the 1990 projection are lower than the rates that appear on H&A's price list, but reflect what H&A expects will be the true average hourly income for the year. Likewise, costs have been adjusted to reflect a true average for the year.

Beginning in 1991, H&A's charges and costs will be as advertised.

Structure of the Projections

The projections for each of the next three years list the income sources that are detailed in the "Pricing" section. Those sources are:

- Edits/Rewrites
- Original Writing and Research
- Training Design, Development, and Delivery



- Data Processing Support
- Other Income

Except for "Other Income," these revenue sources derive from hourly rates that are listed in the "Parameters" section of each projection. The income projections are based on a reasonable estimate of the total number of project hours the company will handle each year. The percentages of revenue derived from each source are then adjusted to reflect seasonal shifts, which are modest in this industry.

Under "Expenses," the total number of hours to be subcontracted each year is presented. (The expectation is that H&A's Management Team, and any permanent writers and trainers employed by the firm, will handle all jobs that aren't subcontracted.)

The "Non-Personnel" expenses for 1990 reflect less than a year of full-time operating costs, to allow for the reality that the business is evolving from a part-time to a full-time status. The normal seasonal patterns of the business have been adjusted to ensure a more realistic reflection of cash flow for this year.

Annual Summary of Projections

Briefly, the Income and Expense projections reflect the following trends and expectations with regard to the development of this business.

1990

A gradual ramp-up of the business to full-time status will occur. Heavy expenses are expected in upgrading existing text editing equipment, acquiring new equipment, and implementing the firm's marketing plan.

The revenue projection for the year is conservative, showing only a 43% gain over 1989, when Mr. Hilton staffed the company single-handedly. Business activity is loaded heavily toward the last half of the year, during which time the marketing campaign will be fully underway. It is projected that 30% (1,050 hours) of the business developed during that period will be subcontracted.

Initial recruitment of a subcontractor staff of twelve (12) writers and trainers has already been completed. An extensive marketing survey was recently completed, and the results were used in the formulation of H&A's plan. That survey solicited feedback from potential competitors and clients, and was very helpful to the firm in defining the most effective, and cost-effective strategies for promoting its services.

A new and improved accounting system will be put into service, and all of the required, basic operating contracts and agreements will be formulated this year, causing higher than usual accounting and legal fees.

A business telephone, supported by voice messaging and other appropriate voice and data communications capabilities, will be installed at the headquarters site of the company.

1991

The Administrative Assistant will be employed full-time, and, by the end of the year, a modest, three-person office will be opened in a location that affords easy access to many of H&A's prospective business clients. (For example, the firm might be located in a downtown high rise, or a Denver Tech Center site.)

The business is projected to grow three-fold over the 1990 growth rate, which is not unusual considering the fact that it will be a full-time operation for the first time, and will be staffed by three FTEs (two writers and the Administrative Assistant).

A total of 10,500 project hours are projected, and 62% of that workload will be subcontracted.

The company will acquire a vehicle used exclusively in making deliveries and for other business travel.

R&D activities will be undertaken in earnest. One half-time marketer will be hired to assist the president in



promoting the company.

1992

All of the management team members will be employed full-time, including the President, Vice President, Operations Manager, and Administrative Assistant.

The total number of projected project hours for this year is 15,000, 73% of which will be subcontracted. The balance of work is expected to shift somewhat, with editing dropping to 15% of the business, and writing services increasing to 65% of the business.

The central office accommodations will be expanded to include one training room (that can also function as a conference room); desk space for two more, full-time employees; a professional library; and storage space.

Plans for franchising the concept in major population centers will be completed this year.

R&D activities will begin to produce income, reflected in the projection under "Other Income."

1993

A part-time Franchise Manager will be hired. The first franchise effort will be launched in Chicago, and the foundation will be laid for similar efforts in Atlanta, Los Angeles, New York, and San Francisco.

A second company vehicle will be purchased.

Central office space will be increased 50%, and branch offices may be established elsewhere along the Front Range, and throughout the Rocky Mountain region.

R&D activities will be in full bloom, and will represent a major profit center for the company.

1994

The Chicago franchise will be launched with a full-time director, a full-time secretary, and a carefully selected cadre of 20 subcontractors.

A separate business plan and projections will have been developed for the first year of the Chicago Office.

R&D products will be an even greater revenue source for the company, and products will also be marketed and sold out of the Chicago office, causing a 50% increase over the 1993 revenue stream from this source.