



# Media Producer

BUSINESS PLAN

DYNAMIC VIDEO

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3470 University Blvd., Ste. 117  
Bridgeport MN 27810

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*This plan offers an outline of the steps necessary to launch a successful video production company. This award-winning business plan demonstrates a comprehensive consideration of product design, market, competition, industry, and financing, as well as an understanding of each partner's role. After applying this strategy, the authors revised it to reflect significant changes in the business. The revised version appears following this plan.*

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- EXECUTIVE SUMMARY
- OUR MISSION
- OUR PRODUCT
- OUR TARGET MARKET
- THE INDUSTRY AND ITS HISTORY
- OUR COMPETITORS
- THE PARTNERSHIP
- THE CHALLENGES
- WHY WE CAN SUCCEED
- OUR PROFESSIONAL RESOURCES
- OUR FINANCIAL PLAN
- APPENDICES

## EXECUTIVE SUMMARY

Dynamic Video (DV) is a partnership of three people who produce and distribute videotapes that teach about issues of concern to youth and are marketed primarily to schools.

In our first year of operation, we demonstrated the beginnings of a unique and profitable way of marketing our video on sexual harassment within an educational resources industry seriously lacking in suitable materials.

Dynamic Video handles three types of videotape products—

- Proprietary: Scripted, produced, owned and marketed by DV;
- Contract: Produced by DV for another agency, to remain their property;
- Non-proprietary: Produced and/or owned by another agency, then purchased and/or distributed by DV.

There is an almost unlimited supply of youth issues that DV can use now and in future years to fulfill our mission. Issues that educators have already said they would like DV to treat through the medium of video include—

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- Racial and religious harassment;
- Girls and abusive relationships;
- Bullies and gangs.

Since we already have one product, our projected sales estimates are based on the sample of sales achieved early in 1994. Our \$20,000 sales for 1994 will increase dramatically during 1995 as we complete our second and third sexual harassment videotapes.

Because of the mix of the partners' skills, we are already able to produce videotapes inexpensively. We are confident that the cost will go down even further as we advance along the learning curve.

With this factor in place, along with our commitment to serving youth and the schools, we believe we have a perfect platform to launch into the educational marketplace of the future.

## OUR MISSION

Our mission is to produce fine quality educational videotapes, dealing primarily with health and social issues, to serve the students and teachers of America's schools.

## OUR PRODUCT

### Sexual harassment (SH) education: The beginning of our partnership

Dynamic Video, a partnership of three people, produces and distributes videotapes that teach about issues of concern to children and youth and are marketed primarily in the schools.

DV was launched one year ago with the purchase of the "Compliance with Sexual Harassment Laws: A Matter of Respect" video script. The script was written by a group of local educators, had been critiqued by professional film producers, and received excellent reviews. D V bought the script in June 1993 and produced the video in the fall and winter, utilizing the talents of students and staff from several school districts as talent. "A Matter of Respect" went on the market to Minnesota schools in February 1994.

### Our Initial Success

So far "A Matter of Respect" shows considerable promise as a money maker:

- A single pre-production advertising mailing brought in 65 orders, a 16% percent response rate.
- Since February 1994, DV has finalized sales on 60 tapes with no advertising since preproduction;
- Figuring the cost of production over the first 100 tapes, each tape costs approximately \$49 to produce and sells for \$99 plus \$1.50 for shipping and handling.
- Although other excellent resources now exist for sexual harassment education, "A Matter of Respect" remains one of only a handful of videotapes on the market.

*Note: Instructional Videos, Inc., a videotape supplier for librarians, prints a catalogue advertising the videos of 500 distributors nationwide.*

*Pricing: This year's catalogue includes six (6) SH education videos; price range \$19.95 to \$199; "A Matter of Respect" is moderately priced at \$99 plus \$1.50 for shipping.*

- The videotape has been praised by teachers for its multicultural images and because it shows "real kids talking to real kids" in everyday school situations. In fact, Holly Selders, a teacher at Moorhead High School, called it "awesome." A high school principal used it the very first day it arrived for "reeducating" a sexual harasser.
- Four school districts have each purchased more than one copy for use in different school buildings.



- The School District of Jackson bought a copy to use in developing its own sexual harassment policy.
- The State Department of Education reviewed "A Matter of Respect" to include it on its list of recommended resources for schools.

Initial Sales of "A Matter of Respect" — 9/1/93-9/10/94

On Market: 2/94

Price: \$99 plus \$1.50 shipping

Number Sales to date: 60

Gross Sales to Date: \$6,030

Continuing operations/cash balance: \$1,487

## Making the Case: More Sexual Harassment Videotapes!

Encouraged by what we have learned about the educational resources industry, DV plans to least two more videos about sexual harassment over the course of the next two years. This section outlines our reasons, addressing the following points:

- Across the nation, sexual harassment is perceived as a serious problem in the schools;
- Our state leads the nation in SH education in the schools;
- SH awareness is rising nation-wide. Other states are following our lead;
- Schools around the nation are seeking resources for SH education;
- There is a shortage of SH resources suitable for use with young people;
- Teaching resources are needed for elementary as well as secondary age students.

Sexual harassment among students of all ages has reached alarming proportions in the schools. The use of vulgar language and sexual reference is rampant. Harassing remarks are even printed on clothes. In many schools, harassment happens so often it becomes disruptive to the learning environment. A June 1993 report based on a nationwide study by the American Association of University Women Educational Foundation found that—

- 85% of girls said they were harassed in school
- 76% of boys said they were harassed in school
- 33% of harassed girls said the experience made them not want to go to school and/or not talk in class
- 12% of harassed boys said the experience made them not want to go to school and/or not talk in class

**Big Enough Sticks?** *In a 1992 landmark case based on Title IX federal antidiscrimination law, the US Supreme Court ruled that there is no limit to the damages awardable to confirmed victims of sexual harassment (Franklin vs Gwinnett County Public Schools).*

In 1989, our state became the first state in the nation to require sexual harassment policies in the schools, ruling that federal law prohibiting discrimination in the schools on the basis of sex applies to sexual harassment as well.

Legislation was passed requiring 400 school districts in this state to put SH policies in place by 1991 and inform staff and students about the policies.

Meanwhile several highly-publicized cases at the national level—such as the Anita Hill hearings—have fostered a rising SH consciousness throughout the country. Other states are pushing for legislation similar to ours.

Educators are also taking a new look at existing state and federal anti-discrimination laws such as Title IX or Wisconsin Statute 118.13, which prohibits discrimination in the schools based on sex, race, religion, disability, etc., to see how they can be used to combat harassment in the schools.

All over the country, schools are seeking resources to help educate young people about sexual harassment. So



far they are finding very few. Although workplace-oriented resources for adults do exist, before "A Matter of Respect" there was almost nothing on the market suitable for use with youth in the schools.

In most states, education about SH started with junior and senior high school students. However, beginning in 1994, the emphasis is on reaching young children in elementary grades. DV has already received inquiries from educators seeking SH videos for use in elementary classrooms. Teachers see a need to move early to counteract the negative gender messages children pick up from the surrounding culture and begin to foster healthy, respectful attitudes.

## OUR TARGET MARKET

DV's primary target customers through the end of 1996 are the public school districts of Minnesota, Wisconsin and California. Following is the list of products we offer to our customers:

### Sexual Harassment Videos in DV's Works

1. "A Matter of Respect" for Minnesota  
Status: Completed  
On market: 2/94  
Tapes sold: 60  
Additional customers: 340  
Projected sales: 205
2. "Respect Across Our Nation" (national version)  
Status: Researching  
On market: 8/95 (Wis & Calif)  
Tapes sold: 0  
Total customers: 1,428  
Projected number of sales: 914
3. "Respect: It's Elementary" (Elementary SH videotape set)  
Status: Scripting  
On market: 3/95 (Minn, Wis & Calif)  
Tapes sold: 0  
Total customers: 1,928  
Projected number of sales: 1,170

### Sales Projections for Sexual Harassment

New sales projections for the SH education tapes presently in the works (these figures do not reflect sales before 8/1/94).

August 1, 1994 thru December 31, 1996

3,6%	Total customers in Minnesota, Wisconsin & California
2,289	Projected sales
\$200,211	Projected gross sales

3,696 Total customers in Minnesota, Wisconsin & California

2,289 Projected sales

\$200,211 Projected gross sales

The projections listed above are based upon the following marketing plan components:

### Minnesota Marketing Plan Pertinent Percentages

100% of our customers personally contacted, offered free preview;

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80% of our customers our experience shows will agree to preview;  
64% of our customers our experience shows will purchase previewed videotape.

### Assumptions for Wisconsin and California

100% of our customers personally contacted, offered free preview;  
66% of customers will buy tapes over 2-year period (first or one of first products on market in these states).

Within the schools themselves, SH education resources are purchased with money from several different sources:

Which Pot the Money Comes From & When the Cash Comes In

- General funds (health curriculum resources); 3-5 weeks
- State violence prevention monies; 3-5 weeks
- State and federal alcohol and drug abuse prevention monies; 3-5 weeks
- Staff development funds. 3-5 weeks

Orders for DV's first tape, "A Matter of Respect" came from faculty and staff from a variety of departments within the schools:

Who Is Using Our SH Videotapes

- Health Teachers
- Staff development committees
- Counselors
- Principals
- Media supervisors

### DV Sexual Harassment Videos: The Details

1. "A Matter of Respect" for Minnesota. Our experience with preliminary marketing of our first proprietary videotape, has left us feeling confident about our product. "Respect" in spite of its flaws, is a valuable resource, one of few on the national market which meet the needs of America's secondary schools. We believe our marketing plan should generate sales to more than half the school districts in Minnesota. During the four-month period from September-December 1994, it is the goal of the DV marketing team to have personally contacted every school district in the state and received a yes or no answer.

2. "Respect" Across the Nation. Nationwide there is unquestionably a rising consciousness on the subject of sexual harassment. It is creating a good market for our videotapes, one that we believe will last for at least two years. In fact, a national distributor of educational videotapes called D V to express an interest in distributing the national version of "A Matter of Respect." For this reason, while we do have plans to expand our video catalogue to include other topics, our main emphasis will be SH through most of 1996.

*Note: There are about 16,000 school districts across the nation.*

Presently we are expanding our market research to California and Wisconsin. California enacted an SH education statute Similar to Minnesota's in 1992. Here is also a push for special legislation. Until it succeeds, Equity Team officials at the Department of Public Instruction are encouraging schools to use existing anti-discrimination legislation to enforce SH policies in the schools.

We plan to revise "Respect" for the national market in spring and summer of 1995, beginning our national marketing campaign with Wisconsin and California. We have set a high sales goal of 2/3 of the market because we are one of the first—if not the very first—resources of our type to hit these state markets. We also believe



this issue will continue to gain importance during the next year.

3. "Respect"-It's Elementary. Already DV has received requests for a SH video for elementary-age students. To our knowledge, there is as yet nothing available to fill this need. DV is eager to take advantage of this prime market. We have two elementary videos (to be sold as a set) already in the works. The elementary videos are scheduled to hit the market in early spring of 1995. Beginning with Minnesota, Wisconsin and California, our two-year sales goal is about 2,000 videotapes sets for the three states combined.

Ongoing research from now through the end of 1996 will point DV in the direction of other states and schools standing in need of our SH products.

## Down the Road: Future Topics for Proprietary Videotapes

Although sexual harassment is a "hot" issue in schools across the nation right now, DV recognizes that the market for SH resources is finite. There is, however, a practically unlimited supply of youth and children's issues that DV can use now and in future years to fulfill our mission-albeit not always with the luxury of laws to stimulate our market.

Other issues that educators have already said they would like DV to treat through the medium of video are the following:

- Racial and religious harassment
- Girls and abusive relationships
- Bullies and gangs: What it means to be male in the age of equality;
- Mothers who are children (teen parenting).

Here are some other issues that are hot in the schools right now and that would lend themselves to video:

- Violence-free schools
- Being yourself/coping with peer pressure
- Sexual abstinence/AIDS
- Compulsive gambling
- Tobacco, drug and alcohol abuse prevention
- The special emotional perils to girls at adolescence
- Taking the challenge—excelling with disabilities

## Not Just for Ourselves: Contract Production Jobs

DV handles three types of videotape products:

1. **Proprietary:** Scripted, produced, owned and marketed by DV (for example, "Respect");
2. **Contract:** Produced by DV for another agency, to remain its property;
3. **Non-proprietary:** Produced and/or owned by another agency then purchased and/or distributed by DV.

The preceding section detailed the proprietary component. This section describes contract-type videos that are already—or almost—in the works. Contract videos in the works:

1. "A Practical History of the Jackson Area Community Center."  
Contracting agency: Jackson, MN, school district  
Status: Researching  
Target completion date: 12/94  
Services provided: Scriptwriting production  
Anticipated fee: \$3,500 total  
\$1,000 deposit in August
2. "Bi-Racial Dating and Relationships" (tentative)





Contracting agency: Young Adult Network

Status: Contractor investigating grant funding

Target completion date: Unknown

Services provided: Scriptwriting, production, marketing—cooperatively with students Anticipated fee: Unknown

1. A Practical History of the Jackson Area Community Center (JACC). The JACC is a school reform project founded on school/community partnerships. The Jackson school district has asked DV to produce a videotape which will be useful to schools and communities interested in school reform, student entrepreneurship, and co-location of social and health services to sites within the local community. The video will include an overview on foundations and other funding agencies with tips on how to successfully pursue grant funding.
2. Bi-Racial Dating and Relationships. This is a grant-funded project to be produced in cooperation with teen mothers from Young Adult Network, who initiated the idea themselves. DV has been approached by Young Adult Network which is researching grant funding for the project. DV is interested in helping Young Adult Network find a way to use the videotape project as a learning resource for the teen mothers and possibly to turn it into a student entrepreneurship venture.

## Non-Proprietary Videotapes

Potential to date: 2 contracts

Status: Investigating

DV terms: 40% off retail

DV has been approached by two different companies with requests to distribute their educational videotapes. DV is investigating this apparent demand for a local videotape distributor.

## THE INDUSTRY AND ITS HISTORY

Since videotape was first introduced in the 1950s, it has been perceived as "flipping through society with hurricane force, uprooting conventional ways and sweeping aside anyone who resists" (Charlene Canape, *How to Capitalize on the Video Revolution*). Initially used only for broadcast television, professional videography equipment dropped dramatically in price in the 1980s, making videos a practical alternative for everything from resumes to fund drives. Its relative cheapness compared to film gave rise to a bumper crop of video entrepreneurs and made visual recordings accessible to the average person in the street.

According to an advertising publication of Karol Media, a Pennsylvania videotape distribution company, the home video industry "had dramatic effects on the information and education business ... Schools and organizations ... that never owned 16mm projectors now own VCRs."

Karol goes on, "The strongest audience remains the schools, particularly grades 6 through 12. And what an audience! The needs of our beleaguered schools have been widely publicized. They are eager for the right materials ... Curriculum tie-ins, teacher-led discussion, follow-up activity, take-away literature, all are possible."

Video is a natural medium for teaching. As an audiovisual tool, it is instantly absorbable by today's generation, young people who "cut their teeth" on television and live and breathe it every day. Because videos can be produced so cheaply, they make excellent "how-to" demonstrators for everything from cutting a square corner to learning to speak in public. Video is especially useful at depicting interactions between people—for example, to illustrate incidence of sexual harassment, or to show effective responses students can make to harassment.

In the schools, a videotape ensures a consistent message from class to class and can serve as an excellent springboard for discussion. A video reaches its maximum potential if its demonstrations are followed up with practice and role playing among members of the audience, turning a passive learning experience into an active



one.

Companies such as Beckley-Cardy, which specialize in supplying educational resources to the schools, now have burgeoning catalogues of videotapes for use in the classroom. For example, Beckley-Cardy's catalogue includes listings for hundreds of videos for use in the various academic subject areas and for teaching about values, self esteem, and interpersonal relationships.

Although the issues of concern to educators come and go with the seasons, the reliance on audiovisual resources like video to bring those issues to life in the classroom is here to stay.

## OUR COMPETITORS

Today there are 12 educational videotape producers in this state and more than 1,000 producers and/or distributors throughout the nation. Some of the major suppliers distribute products for three or four academic areas only. In addition to videos and films, these companies deal in print materials, equipment and a wide assortment of "manipulatives" (everything from math counters to CPR dummies).

Listed below is some of what DV learned by talking with people representing these supply companies:

### Beckley-Cardy

National supplier of teaching resources, including the videos of United Learning Videos (see below);

- Regional office located in Duluth
- # Educational videos in current catalogue: hundreds
- # Sexual harassment videos in catalogue: zero (0)

### United Learning Videos

- A video publisher company located in Niles, Illinois
- Deals in videos for all academic areas
- Advertises 60 titles in a 64-page full-color catalogue
- Purchases sole proprietary rights to all tapes
- Has facilities to warehouse thousands of videotapes
- Maintains a national dealer network
- Presently is considering only CD-ROM and laser disc products on non-proprietary basis
- SH videos in current catalogue: zero (0)
- Called DV earlier this month and asked to review our sexual harassment tape with an eye to purchasing sole distribution rights

### Educational Videos Group

- A video producer/publisher located in Greenwood, Indiana
- Specializes in the academic areas of social studies, science, English and communications
- No health or guidance tapes (the areas which typically include sexual harassment education)
- According to contact person, 75% of catalogue titles are property of the company, produced by independent video producers on contract to Educational Videos Group
- Videos are curriculum-based, in many cases created to support the basic course textbook

### Instructional Videos, Inc.

- National video supplier for librarians; located in Lincoln, Nebraska

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- Acts as "jobber" for 500 video distributors
- Purchases videotapes 50% off retail
- Only advertising done is title listing in catalogue
- Big catalogue printed in January, supplement in June
- # Sexual harassment tapes in catalogue: six (6)
- Price range for SH tapes listed: \$ 19.95-199

## Cambridge Educational Videos

- Located in Charlottesville, West Virginia
- Major video supplier printing 11 catalogues both for secondary and postsecondary schools
- Areas include home ec, careers/job search, vocational/technical, phy ed and health
- 350 proprietary titles
- 400 titles as sole distributor (50% off retail);
- Produced "Crossing the Line" sexual harassment curriculum which is widely used in schools (price going down from original \$1200)
- Recently completed a companion video (with workbook) which utilizes role play to help students practice responses to sexual harassment
- Price of this video: \$89.95
- Other SH videos in catalogue: two (2) tailored for the workplace (D V reviewed one of these)

## Master Video

- Located in Minneapolis
- Producer of educational and industrial videotapes on contract to outside agencies
- No catalogue; has produced one educational video on contract to local schools
- 14 years old, 10 employees

DV's conversations with suppliers reinforced some of our beliefs about our business's potential. We are encouraged, for example, to learn that—

- The market is definitely there for educational videotapes of all kinds;
- With effective marketing and distribution, there is a bright future for the small, independent producer who can afford to create videos inexpensively;
- Suppliers agree that sexual harassment is currently a topic of concern to educators nationwide;
- As yet, there are few videotapes on this subject directed at young people in the schools;
- DV would not have any problem finding a distributor for non-state-specific sexual harassment videos at either the elementary or secondary level.

## On the other hand, it is clear that—The challenge lies with the marketing and distribution.

Being able to produce good videos and being able to sell enough good videos to put lots of money in one's pocket are two very different skills. Our impression is that it is rare to find a company with the talents and the time to do both well.

A representative of Karol Media told DV that we should figure on spending between \$6-\$12 on marketing for each dollar spent in production. It is hard for us to see right now where that kind of money would come from. However, we take this remark as a word to the wise. It presents an image of the vastness of the American market and the challenge of communicating with the busy hoard of strangers out there who will someday be



our customers.

## THE PARTNERSHIP

The Partners—in Brief. Dynamic Video is a partnership formed in June 1993 by Andrea Sheldon and Dedria Johnson for the purpose of producing the "A Matter of Respect" videotape. For the first year, DV operated out of Dedria Johnson's office in her home. This spring the original partners recognized that the business is at a crossroads. It needs to expand in order to realize its potential. They invited Kevin Hill, an accountant with experience in business, to join the partnership. Here are a few facts about each of the partners:

**Andrea Sheldon**

BS degree in Mass Communications;  
6 years professional videography producer;  
Owns her own business, in Duluth;  
Member of Leadership Superior/Douglas County;  
Theatre background, many connections in theatre;  
Former promotion manager for KBJR-TR V6.

**Dedria Johnson**

BS degree in English;  
Freelance writer specializing in education;  
8 years experience in the schools as newsletter journalist/  
public relations writer;  
Skilled at design and production of promotional materials.

**Andrea Sheldon**

BS degree in Mass Communications;  
6 years professional videography producer;  
Owns her own business, in Duluth;  
Member of Leadership Superior/Douglas County;  
Theatre background, many connections in theatre;  
Former promotion manager for KBJR-TR V6.

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8 years experience in the schools as newsletter journalist/public relations writer;  
Skilled at design and production of promotional materials.

**Kevin Hill**

BA degree in Accounting;  
Experienced in sales;  
Owned and operated architectural drafting business for 10  
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Experienced in sales;  
Owned and operated architectural drafting business for 10 years.

Since Kevin came on board, DV has concentrated on finding an office, creating a business plan, and setting up an accounting system. Presently we are undergoing management education counseling with representatives from both the Small Business Development Center and the Business Incubation Center.

## Plans and Personnel

Presently we are applying for an office in the Business Incubation Center. After we get our office—probably sometime during September—we expect to serve the partnership as follows for the first six months:



**Andrea Sheldon**

Work half-time for DV;  
Continue to operate her other business from her Duluth office until her lease expires at the end of the year;  
Move into the DV office in January 1995 and operate her other business from there half-time;  
Be responsible for coordinating and supervising all video production activities;  
Edit all videotapes;  
Serve as member of marketing team;  
Rent her videography equipment to DV.

**Dedria Johnson**

Work full-time for DV;  
Retain her position as newsletter editor with local district in order to maintain our proprietary position in the schools;  
Rent her computer system to DV;  
Coordinate contacts with school personnel;  
Be responsible for writing and producing promotional materials;  
Assist with video shoots and editing;  
Serve as member of marketing team.

**Kevin Hill**

Work half-time for DV through November;  
Study for CPA exam half-time through November;  
Join DV full-time beginning in December;  
Be responsible for accounting, shipping and other finance-related activities;  
Assist with video shoots and production;  
Serve as member of marketing team.

**Andrea Sheldon**

Work half-time for DV;  
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Assist with video shoots and production;  
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## Marketing Plan

### General Strategy

- Inexpensive tapes of high-quality content
- Concern with social issues
- Use student actors
- Use educators as script authors



- A partner, Dedria Johnson, involved in education issues and accepted into school districts
- Call-backs to ensure customer satisfaction.

### Selected Details of Marketing Plan

Every sale will include a personal request for an evaluation of the product by the User Teacher and, if possible, the students who viewed the video.

Each partner will contribute to the following phases of the process:

- Obtain state directory of school districts and select a district to call
- Call district and ask for Human Rights Officer (HRO)
- Ask if the school district needs resources and, if so, offer to send free preview tape
- If HRO agrees, send tape, brochures, District Response Form and Student Critique Form for evaluation to HRO or designated person he/she names
- If HRO agrees, send invoice to billing clerk
- If no response in 35 days, phone billing clerk and ask him/her to track down the tape and District Response Form (DRF)
- One week after Classroom Use Date (listed on DRF), contact User Teacher and get verbal evaluation

This evaluation and sales data will enable the marketing team to produce a mailing list and labels for future marketing efforts.

### Personnel

We plan to hire a shipping clerk/secretary in November 1994 for 10 hours per week, increasing the hours to 40/week beginning in January 1995. An assistant to the script writer will also be hired in January, initially for 10 hours per week.

Although we expect to increase the size of our organization to include at least two employees, we want to retain our partnership vision of a personalized operation that relies on involvement of all partners in each stage of the process, most especially the video production portion. We are committed to maintaining our direct involvement with the public schools in order to "keep our finger on the pulse" of youth issues and to remind ourselves that education is above all a human endeavor.

### Teachers as Authors

As was stated before, our plans for sexual harassment tapes over the upcoming 28 months include a set of two tapes directed at elementary students and a revised version of "A Matter of Respect" which will be generalized for the national market.

Right now we are in the scriptwriting process for the elementary videotapes. An Authors Group of six teachers meets with us weekly on Thursday mornings for a scripting session over brunch. It looks as if this production will include original music, dances and a charming child narrator. The message will work off the theme, "Together boys and girls can make a better, more peaceful world."

One of the tasks of this Authors Group is to define the financial terms for the members' contract with DV. Our intent is to develop a policy which we will use for subsequent videotapes. This contract is still under discussion.

## THE CHALLENGES

Although we believe we have many things going for us, DV also faces some real challenges:



1. DV has limited capital for investment and for operational expenses;
2. Since we rely largely on volunteer acting talent from students, the quality and availability of that talent can sometimes be problematic.
3. The time factor continues to be a challenge, especially for Dedria Johnson whose continued presence in the schools is central to the partnership. At present, Dedria will continue her work as newsletter editor for the districts with the help of several writers and production workers.
4. Critiquing our own first product, "A Matter of Respect," we find some technical flaws, such as the poor lighting in the first hallway scene. Some of the acting has been criticized as weak. Some of the scenarios depicting sexual harassment situations in school have been criticized as "naive"—not really reflecting the seriousness of the harassment that actually occurs, especially at the senior high level. In addition, students of color are under-represented in the video.

## WHY WE CAN SUCCEED

As DV tackles the difficult youth issues of the day, we also take on two other challenges: first, a changeable market and, second, major competitors who are well-established and well financed and who, like us, market primarily to the schools. We believe DV has the following advantages:

1. Video scripts are written by teachers (and other youth education experts such as counselors and sexual assault advocates) who understand young people and the issues concerning them;
2. Scripts are reviewed by an editorial board of students for authenticity, effectiveness, and "classiness";
3. Marketing plan incorporates critiquing by customer teachers and students in their classrooms;
4. Tapes feature "real kids talking to real kids" in realistic scenarios of school life;
5. DV partner Dedria Johnson is directly involved in the schools as a public relations writer and so is aware of current issues of concern as well as funding opportunities made available to schools for education on specific issues;
6. DV's direct involvement in the schools provides a network of educator colleagues to draw upon for advice and assistance.
7. All three partners have excellent credit records that will serve us well in the event we need to consider borrowing;
8. The mix of skills among the partners allows us to operate all facets of the business with relatively low overhead costs, especially during the startup period;
9. Several teachers who serve as presenter/trainers on sexual harassment to schools in Minnesota and throughout the Midwest have agreed to show the "Respect" videotape and promote it. Workshops are a prime opportunity for selling an issue-oriented product such as "A Matter of Respect." That is because the minds of the educators in attendance are focused on the issue. They are often relieved to be able to find solutions to their resource needs right at hand;
10. Our school connections are already reaping a crop of creative ideas for involving students in videotape production and marketing as a learning experience. This will permit DV to join the ranks of other "school partner" companies.

Creating school/business partnerships is a major focus within the schools these days, not only in Minnesota, but in Wisconsin and other states as well. Such partnerships benefit students, who learn real-world skills and get the jump on an increasingly difficult job market. Over the long run, partnerships benefit business and industry by helping to produce qualified workers.

In the case of a small organization like DV, we would benefit by increased visibility within the schools and also by getting some real, useful help from the "awesome" talent that exists in the schools. One idea we have is to enlist the help of the DECA Club in marketing our videotapes in Wisconsin. This club achieves state and national recognition each year for its outstanding individual and team marketing projects. DV would be fortunate to have DECA's assistance and would be glad to provide learning opportunities to students;

11. Since the market for DV videotapes is the schools, our product is not location sensitive. Videos can be



inexpensively mailed to any place in the nation and do not require a retail outlet. In addition, since we do not rely on walk-in customers, we can exist comfortably within a "scaled-down" office environment.

## Student Editorial Board

Once a script has been developed and written, it will be reviewed by an Editorial Board comprised of selected students of various ages and backgrounds. To fulfill our mission statement of producing "fine-quality educational videotapes," the script must appeal to our student audience and it must be believable. To achieve this objective, DV needs the input of this valuable board. They will critique the script for its authenticity, effectiveness and "classiness."

## OUR PROFESSIONAL RESOURCES

Thanks to our counselors at the Small Business Development Center (SBDC) and the Business Incubation Center (BIC), we are getting a glimpse of the amount of labor involved in setting up a successful business. In spite of that, we remain optimistic about our enterprise. For one thing, we are encouraged by what we have learned about our industry and about each other as people and as colleagues. In addition, we have discovered a wealth of resource persons to aid us in our venture.

Besides the SBDC counselors and the BIC, these include an Equity Team Member from the Wisconsin Department of Public Instruction and her Minnesota counterpart; an attorney from the School District of Superior; a CPA volunteer consultant; a volunteer attorney consultant; a professional writer and producer; and school faculty and staff too numerous to mention.

We include in that list our bankers, with whom we each separately have good financial relationships, and, last but not least, the talented students in our schools.

We also appreciate the fact that the business development climate is positive in our County and that the timing is opportune. Many agencies and individuals stand poised to assist us in the interest of fostering the economic well-being of our community.

Finally, we partners of DV sincerely value the opportunity to contribute to that economic well-being by putting forth our best combined professional effort.





# OUR FINANCIAL PLAN

## Dynamic Video Projected Income Statement

For Years ended December 31:1994, 1995, and 1996

REVENUE	AUG 1	SEPT 2	OCT 3	NOV 4	DEC 5	1994 YR1	1995 YR2	1996 YR3
Revenue-MN Respect	603	603	2010	3015	3015	9246	11357	0
Revenue-JACC	1000	0		1000	1500	3500	0	0
Revenue-MN Elementary	0	0	975	975	975	2925	16275	0
Revenue-Wisc Elementary	0	0	525	525	525	1575	8700	10275
Revenue-Wise Secondary	0	0	704	704	704	2111	11658	13769
Revenue-Calif. Elementary	0	0	0	0	0	0	24000	24000
Revenue-Calif. Secondary	0	0	0	0	0	0	32160	32160
Total Revenue	1603	603	4510	4515	6015	19357	104150	80204

### Cost of Goods Sold

Video Production Costs	0	0	390	190	590	1170	1380	340
Video Production-Labor	0	0	700	400	400	1500	800	250
Payments to writers	0	0	0	0	0	0	1695	1695
Video Equip. Rental	50	50	50	50	50	250	600	600
Video Copying	0	0	720	0	0	720	2790	3405
Total	50	50	1860	640	1040	3640	7265	6290
Gross Profit	1553	553	2650	3875	4975	15717	96885	73914

### Expenses

Telephone Expense	200	200	450	150	200	1200	2400	2400
Office Rent	0	0	100	100	100	300	1800	1800
Meeting Facilities	280	20	0	0	0	300	600	600
Office Supplies	0	0	50	50	50	150	600	600
Interest Expense	0	30	0	0	24	54	30	0
Shipping of Tapes	9	9	30	45	45	138	1755	1371
Brochure Mailing	0	125	20	20	20	185	300	500
Shipping clerk/ Receptionist				200	200	400	10400	10400
Assistant Script Writer							4160	4160
Payroll Tax Expense				19	19	38	1456	1456
Total Expenses	489	384	650	584	658	2765	23510	23287

Operating Profit 1064 169 2000 3291 4317 12952 73375 50627

For Years ended December 31:1994, 1995, and 1996

REVENUE	AUG 1	SEPT 2	OCT 3	NOV 4	DEC 5	1994 YR1	1995 YR2	1996 YR3
Revenue-MN Respect	603	603	2010	3015	3015	9246	11357	0
Revenue-JACC	1000	0		1000	1500	3500	0	0
Revenue-MN Elementary	0	0	975	975	975	2925	16275	0
Revenue-Wisc Elementary	0	0	525	525	525	1575	8700	10275
Revenue-Wise Secondary	0	0	704	704	704	2111	11658	13769
Revenue-Calif. Elementary	0	0	0	0	0	0	24000	24000
Revenue-Calif. Secondary	0	0	0	0	0	0	32160	32160
Total Revenue	1603	603	4510	4515	6015	19357	104150	80204

### Cost of Goods Sold

Video Production Costs	0	0	390	190	590	1170	1380	340
Video Production-Labor	0	0	700	400	400	1500	800	250
Payments to writers	0	0	0	0	0	0	1695	1695
Video Equip. Rental	50	50	50	50	50	250	600	600
Video Copying	0	0	720	0	0	720	2790	3405
Total	50	50	1860	640	1040	3640	7265	6290
Gross Profit	1553	553	2650	3875	4975	15717	96885	73914

### Expenses

Telephone Expense	200	200	450	150	200	1200	2400	2400
Office Rent	0	0	100	100	100	300	1800	1800



## For Years ended December 31:1994, 1995, and 1996

Meeting Facilities	280	20	0	0	0	300	600	600
Office Supplies	0	0	50	50	50	150	600	600
Interest Expense	0	30	0	0	24	54	39	0
Shipping of Tapes	9	9	30	45	45	138	1755	1371
Brochure Mailing	0	125	20	20	20	185	300	500
Shipping clerk/Receptionist				200	200	400	10400	10400
Assistant Script Writer							4160	4160
Payroll Tax Expense				19	19	38	1456	1456
Total Expenses	489	384	650	584	658	2765	23510	23287
Operating Profit	1064	169	2000	3291	4317	12952	73375	50627

## Dynamic Video Projected Cash Flow

For Years Ended December 31: 1994, 1995, 1996

	AUG 1	SEPT 2	OCT 3	NOV 4	DEC 5	1994 YR1	1995 YR2	1996 YR3
Cash Bal. Beginning	1487	2551	1003	1003	2294	1487	6499	21422
Revenue-MN Respect	603	603	2010	3015	3015	9246	11357	0
Revenue-JACC	1000	0	1000	0	1500	3500	0	0
Revenue-MN Elementary	0	0	975	975	975	2925	16275	0
Revenue-Wise Elementary	0	0	525	525	525	1575	8700	10275
Revenue-Wise Secondary	0	0	704	704	704	2111	11658	13769
Revenue-Calif. Elementary	0	0	0	0	0	0	24000	24000
Revenue-Calif. Secondary	0	0	0	0	0	0	32160	32160
Total Cash Available	3090	3154	5513	5518	8309	20844	110648	101626
Less Disbursements:								
Partners' Draws	0	1500	2000	2000	2000	7500	57600	57600
Telephone Expense	200	200	450	150	200	1200	2400	2400
Office Rent	0	0	100	100	100	300	1800	1800
Meeting Facilities	280	20	0	0	0	300	600	600
Video Equip. Rental	50	50	50	50	50	250	600	600
Office Supplies	0	0	50	50	50	150	600	600
Loan Payable-DR	0	217	0	0	223	440	851	0
Writers—Payments	0	0	0	0	0	0	1695	1695
Shipping of Tapes	9	9	30	45	45	138	1755	1371
Interest Expense	0	30	0	0	24	54	39	0
Video Production-Labor	0	0	700	400	400	1500	800	250
Video Production Costs	0	0	390	190	590	1170	1380	340
Brochure Mailing	0	125	20	20	20	185	300	500
Video Copying	0	0	720	0	0	720	2790	3405
Shipping Clerk/ Receptionist				200	200	400	10400	10400
Assistant Script Writer							4160	4160
Payroll Tax Expense				19	19	38	1456	1456
Total Disbursements	539	2151	4510	3224	3921	14345	89226	87177
Cash Surplus (DEF)	2551	1003	1003	2294	4388	6499	21422	14449
Bank Loan Required	0	0	0	0	0	0	0	0
Cash Balance Ending	2551	1003	1003	2294	4388	6499	21422	14449

The Projected Cash Flow Budget and Income Statement are based on the following assumptions:

## For Years Ended December 31: 1994, 1995, 1996

	AUG 1	SEPT 2	OCT 3	NOV 4	DEC 5	1994 YR1	1995 YR2	1996 YR3
Cash Bal. Beginning	1487	2551	1003	1003	2294	1487	6499	21422
Revenue-MN Respect	603	603	2010	3015	3015	9246	11357	0
Revenue-JACC	1000	0	1000	0	1500	3500	0	0
Revenue-MN Elementary	0	0	975	975	975	2925	16275	0
Revenue-Wise Elementary	0	0	525	525	525	1575	8700	10275
Revenue-Wise Secondary	0	0	704	704	704	2111	11658	13769
Revenue-Calif. Elementary	0	0	0	0	0	0	24000	24000
Revenue-Calif. Secondary	0	0	0	0	0	0	32160	32160
Total Cash Available	3090	3154	5513	5518	8309	20844	110648	101626
Less Disbursements:								

**For Years Ended December 31: 1994, 1995, 1996**

Partners' Draws	0	1500	2000	2000	2000	7500	57600	57600
Telephone Expense	200	200	450	150	200	1200	2400	2400
Office Rent	0	0	100	100	100	300	1800	1800
Meeting Facilities	280	20	0	0	0	300	600	600
Video Equip. Rental	50	50	50	50	50	250	600	600
Office Supplies	0	0	50	50	50	150	600	600
Loan Payable-DR	0	217	0	0	223	440	851	0
Writers—Payments	0	0	0	0	0	0	1695	1695
Shipping of Tapes	9	9	30	45	45	138	1755	1371
Interest Expense	0	30	0	0	24	54	39	0
Video Production-Labor	0	0	700	400	400	1500	800	250
Video Production Costs	0	0	390	190	590	1170	1380	340
Brochure Mailing	0	125	20	20	20	185	300	500
Video Copying	0	0	720	0	0	720	2790	3405
Shipping Clerk/Receptionist				200	200	400	10400	10400
Assistant Script Writer							4160	4160
Payroll Tax Expense				19	19	38	1456	1456
Total Disbursements	539	2151	4510	3224	3921	14345	89226	87177
Cash Surplus (DEF)	2551	1003	1003	2294	4388	6499	21422	14449
Bank Loan Required	0	0	0	0	0	0	0	0
Cash Balance Ending	2551	1003	1003	2294	4388	6499	21422	14449

The Projected Cash Flow Budget and Income Statement are based on the following assumptions:

**Cash Receipts**

Our estimates of total units sold are based on records of our sales during the last quarter of 1993 and early 1994. Of the 400 districts in Minnesota, we have found that 80% (320) will accept a preview of our tape. Of those previews, 64% (205) will subsequently purchase the tape. We use this formula in determining the market for our other tapes, also.

1. Cash receipts for the Minnesota "A Matter of Respect" are estimated as follows: Projected total units: 205 @ \$100.50 = \$20,603.

We do not expect substantial sales beyond June 1995 as all districts will have been covered by this time. These estimates are based on the telephoning done in Spring 94, as well as in July and August to promote the tape. Individual school payment cycles vary, but this assumes approximately 60 days turnaround on the sale. During August, Human Rights Officers (our targets) return to school. We expect most of the cash from this tape to be received by June 95.

2. Cash receipts for the Metro Area Community Center as follows:

Down payment in August 94:	1000
Payment in October 94:	1000
Final payment December 94:	1500
Total Contract:	3500

Down payment in August 94: 1000

Payment in October 94: 1000

Final payment December 94: 1500



Total Contract: 3500 MACC intends to market the tape themselves.

### 3. Cash receipts for Elementary Tape sold in Minnesota

Telephone calls in August and September 94, and brochures sent in September will stimulate sales. Pre-production cash receipts are estimated at 13 tapes each in October, November and December. At \$75 per unit, the cash receipts for the last quarter of 94 are \$2,925. The balance of the cash receipts for this tape will be in Spring and Fall 95. We expect this to be 217 units during 1995. Total revenue for this tape is expected to be \$ 19,200.

### 4. Cash receipts for Elementary Tape to be sold in Wisconsin and California

Similar to the Minnesota Elementary Tape, telephone calls and brochures mailed to Wisconsin in October will attract pre-production cash receipts estimated at 7 units at \$75 for each of October, November and December 94. Total revenue for Wisconsin Elementary tape sales is expected to be \$20,550.

The Elementary Tape is expected to produce \$48,000 in California during 1995 and 1996.

5. Cash receipts for National "A Matter of Respect" to be sold in Wisconsin and California Following the pattern of soliciting pre-production deposits, this tape is expected to gather cash for October through December at 7 units per months in Wisconsin. This tape retails for \$99 plus \$1.50 shipping and handling, and will sell throughout 1995 as well as 1996. Total revenue for Wisconsin is expected to be \$27,537.

We will begin marketing tapes in the one thousand California school districts in spring 1995, and will sell through 1996.

1995 sales-320units @ \$100.50= \$32,160

1996 sales-320units @ \$100.50= \$32,160

Total: \$64,320

1995 sales-320 units @ \$100.50= \$32,160

1996 sales-320 units @ \$100.50= \$32,160 Total: \$64,320

## Disbursements

1. During 1994, the partners will withdraw minimum amounts from the business. Dedria will receive 50 percent of the amount designated for draws: Kevin and Andrea will each receive 25 percent of the designated amount.

In 1995 and 1996, each partner will receive one-third of the \$57,600 designated for draws each year.

Video equipment rental will be paid to Andrea at the rate of \$50 per month. This will provide for us the use of her equipment for copying and editing of the tapes.

Payments to each of the six writers' are calculated at the rate of \$ 1.13 per tape sold up to a maximum of 500 tapes. Writers will be paid quarterly beginning in September, 1995. This agreement applies to the Minnesota elementary tape and serves as a model for future agreements with outside script writers.

We plan to hire a Shipping Clerk/Receptionist in November 1994 for ten hours per week at the rate of \$5.00 per hour. Hours will be increased to 40 hours per week in 1995.

The Assistant Script Writer will be hired at \$8.00 per hour for ten hours per week.

## Summary of Tape Labor/Production Costs

### Labor Production Costs: 1994

Elementary Tape	1200	970
JACC	300	200
Total 1994 Costs	1500	1170

Elementary Tape 1200 970

JACC 300 200



Total 1994 Costs 1500 1170

Labor Production Costs: 1995

Elementary Tape	0	180
National "A Matter of Respect"	800	1200
Total 1995 Costs	800	1380

Elementary Tape 0 180

National "A Matter of Respect" 800 1200

Total 1995 Costs 800 1380

## Elementary Tape

1994/95	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Totals
Labor								
Cameraman			200	200	200			
Audio & grips			200	200	200			
Total Labor Costs	0	0	400	400	400			1200
Production Costs								
Equipment rental			50	50	50	50	50	
Music					200			
Materials			100	100				
Special Effects					300			
Miscellaneous Expense			40	40	40	40	40	
Total Production Costs	0	0	190	190	590	90	90	1150
Total Costs								\$2,350

1994/95 Aug Sept Oct Nov Dec Jan Feb Totals

Labor

Cameraman 200 200 200

Audio & grips 200 200 200

Total Labor Costs 0 0 400 400 400 1200

Production Costs

Equipment rental 50 50 50 50 50

Music 200

Materials 100 100

Special Effects 300

Miscellaneous Expense 40 40 40 40 40

Total Production Costs 0 0 190 190 590 90 90 1150

Total Costs \$2,350

## Jackson Community Center Tape

1994	Oct
Labor Costs	300
Production Costs	200
Total Costs	\$500

1994 Oct

Labor Costs 300

Production Costs 200

Total Costs \$500



## National "A Matter of Respect" Tape

1995	Aug	Sept	Oct	Nov	Dec	Total
Labor						
Camerman			200	200		
Audio & grips			200	200		
Total Labor Costs	0	0	400	400		800

Production Costs						
Equipment rental		83	167			
Music			200			
Materials		200				
Special Effects			300			
Miscellaneous Expense		125	125			
Total Production Costs	0	408	792	0	0	1200

Total Costs						\$2,000
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1995	Aug	Sept	Oct	Nov	Dec	Total
Labor						
Camerman			200	200		
Audio & grips			200	200		
Total Labor Costs	0	0	400	400		800
Production Costs						
Equipment rental		83	167			
Music			200			
Materials		200				
Special Effects			300			
Miscellaneous Expense		125	125			
Total Production Costs	0	408	792	0	0	1200
Total Costs						\$2,000

## Projected Balance Sheet

For Years Ending December 31: 1994, 1995, and 1996

	August 1994	December 1994	December 1995	December 1996
Assets				
Current Assets				
Cash	1487	6499	21422	14449
Total Current Assets	1487	6499	21422	14449
Fixed Assets				
Office Equipment	98	98	98	98
Total Assets	1585	6597	21520	14547
Liabilities and Net Worth				
Loan Payable	1291	851	0	0
Total Liabilities	1291	851		
Dedria Johnson, Capital	98	666	5924	3599
Andrea Sheldon, Capital	98	2540	7798	5474
Kevin Hill, Capital	98	2540	7798	5474
Total Liabilities and Equity	1585	6597	21520	14547

For Years Ending December 31: 1994, 1995, and 1996

	August 1994	December 1994	December 1995	December 1996
Assets				
Current Assets				
Cash	1487	6499	21422	14449





## For Years Ending December 31: 1994, 1995, and 1996

	August 1994	December 1994	December 1995	December 1996
Total Current Assets	1487	6499	21422	14449
Fixed Assets				
Office Equipment	98	98	98	98
Total Assets	1585	6597	21520	14547
Liabilities and Net Worth				
Loan Payable	1291	851	0	0
Total Liabilities	1291	851		
Dedria Johnson, Capital	98	666	5924	3599
Andrea Sheldon, Capital	98	2540	7798	5474
Kevin Hill, Capital	98	2540	7798	5474
Total Liabilities and Equity	1585	6597	21520	14547

### Additional Information about the Projected Balance Sheet

1. Office equipment includes a desk, two 8-foot tables, chairs, file cabinet. We would like to invest in a 486-type computer and some additional video production equipment in the future.
2. Loan Payable to lender is repayment of a loan to start production of "A Matter of Respect."
3. Capital Account Summaries

Dedria Johnson	Beginning Balance	\$98
	1994 Profit (one-third)	4317
	Less 1994 Draws	3750
	Total	\$665
Andrea Sheldon	Beginning Balance	\$98
	1994 Profit (one-Third)	4317
	Less 1994 Draws	1875
	Total	\$2540
Kevin Hill	Beginning Balance	\$98
	1994 Profit (one-third)	4317
	Less 1994 Draws	1875
	Total	\$2540

Dedria Johnson	Beginning Balance	\$98
	1994 Profit (one-third)	4317
	Less 1994 Draws	3750
	Total	\$665
Andrea Sheldon	Beginning Balance	\$98
	1994 Profit (one-Third)	4317
	Less 1994 Draws	1875
	Total	\$2540
Kevin Hill	Beginning Balance	\$98
	1994 Profit (one-third)	4317
	Less 1994 Draws	1875
	Total	\$2540

Each partner will receive one-third of the profits over the lifetime of the partnership; however, in 1994, Dedria Johnson will receive 50 percent of dollars designated for draws since she is devoting a greater amount of her time to the start-up of the business.



## APPENDICES

### Job Description: Andrea Sheldon

1. Supervise videotape shooting and production.
  1. Procure talent with Dedria and Kevin.
  2. Supervise staff to schedule shoots.
  3. Supervise/assist with gripping.
  4. Edit tapes with Dedria and Kevin.
  5. Supervise/coordinate copying of videotapes.
  6. Secure talent releases.
2. Responsible for marketing as member of marketing team.
  1. Develop marketing strategies with Dedria and Kevin.
  2. Assist with development of production materials.
  3. With Dedria and Kevin, make phone calls and perform/supervise mailings.
3. Responsible for personnel decisions as member of personnel team.
  1. Create and place advertisement for office and other staff.
  2. With Dedria and Kevin interview candidates and make hiring/firing decisions.
4. Responsible for inventory and ordering.
5. Responsible for billing for videography services.
6. Responsible for physical plant issues.
  1. Equipment installation.
  2. Rental contracts.
  3. Appliance/equipment research and purchasing.
  4. Furniture/research and purchasing.

### Job Description: Dedria Johnson

1. Responsible for all written materials.
  1. Supervise script and publication writers/production staff.
  2. Produce promotional materials.
2. Coordinate script authors.
  1. Procure authors.
  2. Facilitate scripting groups or procure facilitator.
  3. Draft scripts with staff writers.
3. Assist with video shooting and production.
  1. Procure talent and other personnel with Andrea and Kevin.
  2. Schedule auditions and other shoot-related meetings.
  3. Assist with scheduling shoots.
  4. Secure permission/keys/etc for shoot sites.
  5. Assist with gripping.
  6. Edit tapes with Andrea and Kevin.
4. Develop new videotape projects.
  1. Solicit ideas from school workers and other youth program workers.
  2. Develop worker contracts with Kevin's assistance.
  3. With Andrea and Kevin, help maintain positive communications with schools and communities by participation and service.
5. Responsible for marketing as member of marketing team.
  1. Develop marketing strategies with Andrea and Kevin.
  2. Produce promotional materials.



3. With Andrea and Kevin, make phone calls and perform/supervise mailings.
6. Responsible for personnel decisions as member of personnel team.
  1. Create and place advertisements for office and other staff.
  2. With Andrea and Kevin, interview candidates and make hiring/firing decisions.
  3. Supervise office staff (i.e. time cards, reporting).
7. Member of Management Team.
  1. Responsible for calling meetings as needed.
  2. Establish agenda for meetings.

## Job Description: Kevin Hill

1. Responsible for accounting and financial controls for the partnership
  1. Set up accounting system and install computerized accounting program. Maintain this system.
  2. Prepare all bookkeeping entries and prepare monthly finance reports.
  3. Track cash flow.
  4. Track and report on receivables, payables and costs.
  5. Prepare all local, state and federal tax reports.
  6. Contribute to purchasing of supplies, materials and other services.
2. Contribute to preparation of Articles of Co-Partnership.
3. Marketing of Videotapes.
  1. Contribute to creation of sales structure, which includes customer contact, follow-up, close of sale, and customer feedback after sale.
  2. Contribute to creation of database of customers for use in subsequent video productions.

## Articles of Co-Partnership

This Contract made and entered into this first day of June, 1994, between Andrea Sheldon of Lake Neawtawaka, Wisconsin, Dedria Johnson of Upper Sentinel, Wisconsin, and Kevin Hill of Brendan, Minnesota.

Witnesseth:

One. The parties, Andrea Sheldon, Dedria Johnson, and Kevin Hill agree to become partners in the video production and distribution business.

Two. The business of the partnership shall be conducted under the name of Dynamic Video, currently at 123 North Main Street, Northville, Wisconsin.

Three. The partnership shall begin on June 1, 1994, and shall continue for an indefinite period.

Four. Each partner shall contribute to the capital of the partnership the sum of ninety-eight dollars (\$98.00). This sum shall be without interest.

Five. All profits resulting from the business shall be divided equally between the partners and all losses incurred by the business also shall be borne equally by them.

Six. Proper books of account shall be kept of all transactions relating to the business of the partnership.

At the end of each calendar year, a statement of the business made; the books closed; and the account of each partner credited or debited, as the case may be, with his proportionate share of the net income or loss. A statement of the business may be made to such other times as the partners agree on.

Seven. Each month, each partner may withdraw from the business, for his own use, a sum not exceeding the amounts listed below:



	Dedria	Andrea	Kevin
September 1994	\$750	\$375	\$375
October 1994	1000	500	500
November 1994	1000	500	500
December 1994	1000	500	500
Jan. 1995 and after	1600	1600	1600

	Dedria	Andrea	Kevin
September 1994	\$750	\$375	\$375
October 1994	1000	500	500
November 1994	1000	500	500
December 1994	1000	500	500
Jan. 1995 and after	1600	1600	1600

The distribution of additional profits will be determined as the need arises.

Eight. All three partners must agree on major purchases, contracts, hiring/firing employees.

Nine. At the termination of this partnership, a full inventory and balance sheet shall be prepared; the debts of the business shall be discharged; and all property then remaining shall be divided equally between the partners.

Ten. During the operations of this partnership, no partner is to become surety or bondsman for anyone without the written consent of the other partners.

Eleven. No partner is to withdraw assets in excess of his salary, any part of the assets invested, or assets in anticipation of net income to be earned, without the written consent of the other partners.

Twelve. In the case of the death or the legal disability of any partner, the other partners will continue the operations of the business until the close of the annual fiscal period on the following December 31. At that time the continuing partners are to be given an option to buy the interest of the departed partner at not more than the departed partner's proprietary interest as shown by the balance of his capital account after the books are closed on December 31. This purchase price is to be paid in four equal installments, payable quarterly.

In Witness Whereof, the parties have hereunto set their hands and seals on the day and year above written.