



Online Consulting

BUSINESS PLAN

BORDERLINE TRANSMISSIONS, INC.

5012 Seymore Rd.
San Jose, CA 60342

January 31, 1994

Due to the rapidly changing landscape of online communications, this newly formed online computer service company maps out its strategy for the early stages of its development. Services to be provided, future goals, and financial status (current and projected) are a few of the issues explored in this plan .

- EXECUTIVE SUMMARY
- BACKGROUND
- BUSINESS CONCEPT
- MARKET ANALYSIS
- OBJECTIVES AND STRATEGIES
- COMPANY ORGANIZATION
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EXECUTIVE SUMMARY

The use of online technology to obtain business information, which has for several years been the sole domain of large corporations, has become viable for businesses of all sizes- and even individuals—in the mid-1990s. At the same time the technology to provide such information, inexpensively and on a global scale, has come into its own. But the complexity and fast-changing nature of online communications continue to make it hard for the average small- or medium-sized business to reap the full benefit of these new possibilities.

This situation has created the opportunity for a consulting service devoted to helping businesses gain, and optimally benefit from online technology, to go into business. Borderline Transmissions, Inc. (BTI) a sole proprietorship located in San Jose, California was formed in January 1994 to take advantage of this opportunity.

BTI will initially target, as clients, small- and medium-sized service businesses in the San Francisco Area. Services provided will include an assessment of the advantages that online access offers to the client, plus help in establishing and maintaining online capability.

This document comprises the start-up business plan for Borderline Transmissions.

BACKGROUND

In the past eighteen months, several interrelated market factors have made the use of online information services much more appealing to small and medium-sized US businesses than in the past. These are:



- The rapid and sustained growth in personal computer and modem ownership is a result of substantial performance improvements with concurrent reductions in price.
- The explosive growth in the availability and usage of online information resources, especially the worldwide Internet.
- The introduction of user-friendly client software which means for the first time, the average business person need not have advanced computer skills to use online resources effectively.
- Increased media attention given to online services and, in particular, to the Internet.

All of these trends are likely to continue for at least the next 5-8 years.

While the business benefits of online information are fast coming into focus, the process of going online remains difficult. This is because:

- The online environment is growing and changing very rapidly.
- The amount of available information, as well as the options for gaining access to it, can be overwhelming.
- There are currently no turnkey online access solutions for businesses. They must negotiate a maze of hardware, software, connectivity solutions, and service providers to gain the full benefit that online services have to offer. Moreover, there are few consultancies or service providers with expertise to guide them through this process.

Even without the above factors, many businesses are too occupied with their own operations to spend a significant amount of time pursuing the benefits of online resources.

BUSINESS CONCEPT

BTI will offer the following services to its clients:

Online Needs Evaluation Research and present to the client a description and cost analysis of the various online resources that would benefit the client's business-from both the user and provider perspectives.

Online Provider Recommendation If the client decides to use or provide any online services, identify the service providers that offer the best value to the client.

Service Implementation Make all necessary arrangements to:

For Online Users Install the services that the client selects, including hardware and software acquisition, service establishment, system configuration, training, and documentation.

For Online Providers Set up an online marketing program for the client, including development of marketing materials and service establishment, training, and documentation.

Post-Implementation Support Provide ongoing consulting support to the client as needed.

Borderline Transmissions, Inc. will also develop the following as secondary profit centers:

- Referral Services
- Online Service Resources

MARKET ANALYSIS

Market Research

BTI will market its services mainly to businesses that fit the following profile:

Location The counties of San Jose/San Francisco/Santa Cruz, and Monterey.



Industries Business-to-business services, especially (a) those with international operations (e.g. import/export firms, travel agencies, freight forwarders) and (b) other information-intensive services (e.g. law, accounting, and consulting practices, financial services, brokers).

Size 50 to 5,000 employees

Equipment Microcomputer users (primarily Macintosh, secondarily IBM-compatible).

An estimated 1,600 businesses fit this profile. According to an industry magazine, only 30 percent of businesses with microcomputers have "online capability" (i.e. are equipped with a modern and telecommunications software). This implies a total market of 1,120 businesses (70 percent of 1,600) with no online capability, and an additional 480 businesses (30 percent) that have online capability, but may or may not be using it to their full advantage. It is the latter 30 percent that have the highest potential as BTI customers.

Competitive Factors

Several firms currently offer the same, or similar services to those planned by BTI. None of these firms are seen as a significant barrier to the success of BTI because, as stated previously, the overall market comprises nearly every service business in the country. In fact, some of these organizations may be potential alliance partners to BTI.

OBJECTIVES AND STRATEGIES

This section outlines how BTI will do business in general and in the specific areas of marketing, operations, financial management, risk management, and company organization.

General

Mission

The mission of BTI is to help organizations and individuals make the best use of the online information resources available to them.

Objectives

Develop a consulting service that:

- Helps organizations link to the online environments that are most beneficial to their business, as easily as possible.
- Provides "one-stop shopping" for clients' online service needs
- Always uses and provides the best available resources

Strategy

- Operate as a general project manager in a "virtual corporation," outsourcing work to alliance partners when expertise is needed in the following areas:
 - Connectivity to External Networks
 - Data Security
 - Hardware
 - Local Area Networks
 - Software
 - Training and Documentation



- Remain small, but portray the image of a large corporation through superior service and marketing, and the use of computer and telecommunications technology
- Develop a network of alliance partners who have similar business goals and philosophies to that of Borderline Transmissions, Inc.

Marketing

Objective

Build a client base large enough to support BTTs financial objectives, but small enough to be effectively serviced within the means of a single-person company.

Strategy

Target Market During its first year of operation, BTI will target as clients, business for the profile described elsewhere in this document. The custom of other businesses, as well as individuals, will be encouraged, but this group will not be the subject of an active marketing effort during the startup phase.

Marketing Plan BTI will use the following means to market its services:

- A high-quality paper marketing brochure that highlights the company and its services
- An electronic marketing brochure
- A generic online sales presentation, including a demo, that can be customized to the interests of a potential client
- Participation in the following networking activities:
 - Online discussion groups
 - Trade shows
 - Local chamber of commerce events
- Arrangements to barter services with vendors where feasible
- Development of secondary profit centers, including written articles and seminars about online services

Service Pricing Services will be priced based on the following rates:

Businesses

Online Needs Evaluation.....\$400

Online Needs Evaluation \$400

Service includes: Presentation to the client of a description and cost analysis of the various online resources that would benefit the client's business from both the user and provider perspectives.

Network Provider Recommendation.....FREE

Network Provider Recommendation FREE

Service includes: list of 3-5 network providers, commercial services, and other server providers that offer the best value to the client.

Implementation (User).....\$600/Day

Implementation (User) \$600/Day

Service includes: installation of all services that the client has selected, including hardware and software acquisition (passed on at cost), system configuration, network establishment, training, and documentation. 1 -Day Min. Expenses addl.

Implementation (Provider).....\$600/Day

Implementation (Provider) \$600/Day



Service includes: establishment of an online marketing program for the client, including development of marketing materials, application design, development, and installation, server design and installation, network establishment, training, and documentation. 1-Day Min. Expenses addl.

Post-Implementation Support,.....\$75/Hour

Post-Implementation Support \$75/Hour

Service includes: Providing ongoing consulting support to the client as needed. 1-Hour Min.

Individuals

Online service connection for Macintosh or Windows.....\$200

Online service connection for Macintosh or Windows \$200

Service includes: software installation and configuration for Internet, one commercial online service, and arrangement with telephone company and/or network provider.

Services will be provided on either a fixed-price or hourly basis, as appropriate to the situation.

Operations

Objective

Build client loyalty by offering superior service and keeping all verbal and written commitments.

Strategy

Operate as a "virtual corporation" by developing a network of alliance partners that offer expertise, local geographical coverage, or additional consulting resources. Subcontract work to alliance partners when appropriate, and offer reciprocal services.

Specialize in Apple Macintosh technology and develop a secondary specialization in IBM-PC technology.

Financial

Objective

Generate gross sales of \$90,000 in the first year of operation.

Strategy

Follow the stated general, marketing, operations, and risk management strategies to maximize sales. Practice sound financial management by maintaining awareness of expenditures and costs at all times. Incorporate during the first year of operation to gain liability and tax benefits.

Risk Management

Objective

Identify, and act to minimize, any substantial risks to BTI assets, operations, reputation, and to its general viability as a business.

Strategy

Address the specific issues.

Источник бизнес-плана: <http://www.referenceforbusiness.com>



COMPANY ORGANIZATION

Ownership

BTI will begin business as a sole proprietorship under the ownership of Samuel H. Palmer, a resident of San Jose, California. The possibility of incorporation will be pursued during the first year of operation.

Management

The business will be managed and operated solely by the owner, with work subcontracted to Sunnyside Inc. where appropriate.

Coverage for the owner's vacation, sick time, should this occur during a client project, will be arranged in advance with one or more individuals from Sunnyside Inc.

Location

Borderline Transmissions, Inc. is located at the following address.

5012 Seymore Rd.
San Jose, CA 60342
(802)555-1212 (voice)
(802)555-1212 (fax/data)

APPENDICES

Issues List

Issue

While the owner has significant management experience in a medium-sized corporation, he has no experience as a business owner.

Solution

1. Use the services of experienced consultants during the startup phase, and thereafter where appropriate.
2. When possible and prudent during the startup phase of the business, create learning opportunities by performing work directly that might in the future be subcontracted.
3. Read industry publications and take pertinent training courses on a regular basis.
4. For the long term, identify potential equity partners in the business whose strengths complement the owner's weakness.

Issue

The proposed business concept is unproven because the combination of services that Borderline Transmissions plans to offer have rarely, if ever, been offered as the single specialty of a consulting business.

Solution

Owner's intuition says otherwise.



Issue

It may take longer than anticipated to build a sufficient income stream to support the owner

Solution

Owner has sufficient financial resources to devote full time efforts to Borderline Transmissions through October, 1994. If this problem extends beyond that time, the owner may need to pursue other income opportunities.

Issue

Borderline Transmissions will, at least initially, be a single-person company. Situations may arise where this resource is overextended due to project demands

Solution

1. Limit the number of projects undertaken at any given time,
2. Arrange contingency coverage with Alliance partners in advance of each major project.

Issue

The most valuable assets of Borderline Transmissions are its computer equipment, and the data stored on that equipment. These are subject to damage or loss.

Solution

1. Obtain insurance for all computer and telecommunications equipment.
2. Obtain and install a backup hard disk for the Quadra 660AV, and backup all business data each day.
Also backup vital data once a month and store it off site.

Sample Language for Marketing Brochure

Why Online?

In the mid-1990s, online access has come into its own as a business communications tool. Companies (and their customers) are going online in record numbers. Many consider it indispensable and are turning it into a competitive advantage. Why? Because they know that online access puts some very powerful tools onto your desktop (or laptop, or palmtop):

- Electronic mail and fax capability, so you can instantly exchange messages and files with co-workers, customers, and vendors-across the hall or across the globe.
- Admission to the electronic marketplace, where products and services are traded in the fast-growing online community of over 20 million people.
- A key to the online data banks that provide—on demand—almost any type of business information.

The best thing about going online is that it frees you from the old limitations of time and location. Online, you can do business at any time of the day or night, anywhere in the world.

Why Now?

Why wait? Getting connected now is a smart move for companies of any size that use or provide information. That's because:



It's affordable . Today's communications hardware, software, and network services are within the reach of most company budgets, and they keep coming down in price.

It's easy . Most online resources are accessible with simple, point-and-click graphical software—the kind that's familiar to any Macintosh or Windows user.

Your competition is probably doing it.

By the way, you don't even need your own connection to advertise online—you can put your ad on rented disk space at one of the many electronic shopping centers that have sprung up. But because communication is a two-way street, and because communicating online is the wave of the future, we recommend a direct connection for your business.

The Race for Cyberspace is on!

Why Borderline Transmissions?

Going online is the right move, but preparing a business for its launch into cyberspace can be an ordeal—even for experienced computer users. You have to negotiate a maze of tasks and issues, like:

Strategic direction. What specific online activities will support your business objectives? How can you best leverage your connection to increase sales and cut costs?

- Choosing from among the hundreds of available hardware, software, connection, and service options.
- Installing, configuring, and testing your system. Training your staff. Writing the user manual.
- Once online, navigating through cyberspace so you find what you need—and avoid information overload.

To get set up, you have two choices—you can do it yourself, or get help from an expert. If you decide to go it alone you can expect many hours of effort and frustration, and maybe some costly mistakes. If, on the other hand, you decide you can use some help—that's what Borderline Transmissions is for.

Current Balance Sheet

Assets

Cash and Bank Accounts	\$5,500	
Total Cash and Bank Accounts		\$5,500
Other Assets Accounts Receivable	\$250	
Total Other Assets		\$250
Total Assets		\$5,750

Liabilities & Equity

Liabilities

Credit Cards	\$545	
Total Credit Cards		\$545
Total Liabilities		\$545
Equity		\$5,205
Total Liabilities & Equity		\$5,750

Borderline Transmissions Balance Sheet as of 7/15/94

Assets

Cash and Bank Accounts	\$5,500	
Total Cash and Bank Accounts		\$5,500
Other Assets Accounts Receivable	\$250	
Total Other Assets		\$250



Borderline Transmissions Balance Sheet as of 7/15/94

Total Assets	\$5,750
Liabilities & Equity	
Liabilities	
Credit Cards	\$545
Total Credit Cards	\$545
Total Liabilities	\$545
Equity	\$5,205
Total Liabilities & Equity	\$5,750

Income Statement

Expenses		
Advertising		\$94
Bank Charges		\$157
Miscellaneous		
Conferences	\$275	
Training	\$110	
Online Charges	\$409	
Publications	\$287	
Total Miscellaneous		\$1,081
Office Expense		
Hardware	\$582	
Postage	\$32	
Software	\$1,140	
Total Office Expense		\$1,754
Supplies		\$153
Taxes		
City	\$35	
County	\$44	
Total Taxes		\$79
Utilities		
Telephone	\$333	
Total Utilities		\$333
Total Expenses		\$3,892
Total Income		\$0
Total Income/Expense		(\$3,892)

Borderline Transmissions Income and Expenses: 1/1/94 through 7/15/94

Expenses		
Advertising		\$94
Bank Charges		\$157
Miscellaneous		
Conferences	\$275	
Training	\$110	
Online Charges	\$409	
Publications	\$287	
Total Miscellaneous		\$1,081
Office Expense		
Hardware	\$582	
Postage	\$32	
Software	\$1,140	
Total Office Expense		\$1,754



Borderline Transmissions Income and Expenses: 1/1/94 through 7/15/94

Supplies		\$153
Taxes		
City	\$35	
County	\$44	
Total Taxes		\$79
Utilities		
Telephone	\$333	
Total Utilities		\$333
Total Expenses		\$3,882
Total Income		\$0
Total Income/Expense		(\$3,882)

Startup Costs

Borderline Transmissions

Startup Costs (Expenditure for 1993 & 1994 YTD & Estimate through 9/94)

Advertising		\$1,094
Bank Charges		\$157
Miscellaneous		
Conferences	\$275	
Training	\$110	
Online Charges	\$559	
Publications	\$287	
Total Miscellaneous		\$1,231
Office Expense:		
Hardware	\$5,700	
Postage	\$232	
Software	\$1,140	
Total Office Expense		\$7,072
Supplies		\$153
Taxes:		
City	\$35	
County	\$44	
Total Taxes		\$79
Utilities:		
Telephone	\$453	
Total Utilities		\$453
Total Estimated Startup Costs		\$10,470

Borderline Transmissions Startup Costs (Expenditure for 1993 & 1994 YTD & Estimate through 9/94)

Advertising	\$1,094
Bank Charges	\$157
Miscellaneous	
Conferences	\$275
Training	\$110
Online Charges	\$559
Publications	\$287
Total Miscellaneous	\$1,231
Office Expense:	
Hardware	\$5,700



Borderline Transmissions Startup Costs (Expenditure for 1993 & 1994 YTD & Estimate through 9/94)

Postage	\$232	
Software	\$1,140	
Total Office Expense		\$7,072
Supplies		\$153
Taxes:		
City	\$35	
County	\$44	
Total Taxes		\$79
Utilities:		
Telephone	\$453	
Total Utilities		\$453
Total Estimated Startup Costs		\$10,470

Glossary

Following are definitions of the ex-dictionary terms used in this business plan.

BBS

Bulletin Board Service. A single-location Online Service (could be either commercial or non-commercial).

Commercial Service

One of the following: America Online, BIX, CompuServe, Delphi, Eworld, Exec PC, GENie, MCIMail, NVN, or Prodigy.

Database Service

One of the following: CAN/OLE, Chemical Information System, Data-Star, Data Times, Dialog, Info Globe Online, Lexis, Nexis, NewsNet, OCLC, Orbit, Questel, STN International, or Westlaw.

Internet

A global, non-commercial online network.

ISDN

Integrated Services Digital Network, a high-speed data communications technology employed over standard telephone lines.

Internet Provider

An organization providing Internet Access to the public.

Online Technology

The use of to modems (or more advanced connective technology) with communications software to allow computers to communicate with other computers.



World Wide Web

A hypermedia system for searching the Internet.

About the Owner

Samuel H. Palmer's long-time interest in personal computers began in 1979 when his parents bought a new Apple II and he spent many hours tinkering with it. He has never been the same since.

Palmer, 34, is a thirteen-year resident of San Jose, California by way of St. Louis, Missouri; London, England; and Eugene, Oregon. He holds a Bachelor of Arts degree in International Relations from San Jose State University. Before starting Borderline Transmissions he worked for eleven years in the international banking industry, much of that time involved in the development of CashNet, an online financial data transmission network. Away from business pursuits he keeps himself occupied traveling, writing, playing the keyboard, and spending time with his two sons, ages 5 and 7.