



# Internet Consultant

## BUSINESS PLAN

### WORLDWIDE INTERNET MARKETING SERVICES

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18765 Industrial Turnpike

Denver, CO 80903

February 1996

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*This plan details an Internet consulting service that offers web page design and other services for businesses. The plan discusses at length the worldwide nature of the Internet and how the corporation will exploit this feature to gain market share and revenue across the U.S. and around the world. The plan includes the corporation's 90-day action plan, the purpose of which is to demonstrate their readiness to undertake this venture immediately, before the market is saturated. The principals take into account the fact that investors may not be familiar with the Internet or with computer terminology, and therefore take care to explain them within their plan.*

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## EXECUTIVE SUMMARY

No other marketplace in world history has exploded with the force of the global computer network known as the Internet. Meeting the challenges associated with conducting business online, which include concerns over transaction security, developing a successful service delivery mechanism, and overcoming issues associated with international commerce, requires a well- thought, systemic approach to doing business as a whole.

Worldwide Internet Marketing Services, a new Internet service provider with target markets in Montana, Texas and Colorado, is just such a company.

By competing directly with traditional print and broadcast media such as television, radio, and newspapers, Worldwide Internet Marketing Services will offer its clients a superior product to these traditional forms, both in content and price. The nature of the service allows Worldwide Internet Marketing Services to serve clients ranging in size from the individual Internet enthusiast to the largest of corporations.

Key strengths of Worldwide Internet Marketing Services are as follows:

- A driven, committed staff of professionals with experience in sales and marketing, business management, and information systems management;
- A process-centered approach to business management that combines complex information systems with

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the due diligence of the Worldwide Internet Marketing Services team to achieve a streamlined sales system that delivers quality services to clients, online customers, and employees;

- Ability to expand in four major cities immediately;
- A developing worldwide online market. Worldwide Internet Marketing Services is entering a brand new global marketplace with a potential audience measured in the tens of millions. Most of the Internet is made up of networks located within the United States, but the rest of the world is catching up quickly. This potential marketplace then becomes hundreds of millions. By entering the arena now, Worldwide Internet Marketing Services will become well-entrenched and ready to meet this explosive growth.

## BUSINESS OVERVIEW

Worldwide Internet Marketing Services is an enterprise created to exploit the business opportunities within the global computer network known as the Internet. In recent history, no other marketplace has opened with the ferocity of the Internet. With a potential worldwide audience measured in the tens of millions, the Internet far outreaches traditional advertising media readership, including television, radio, and printed media such as newspapers and magazines. In fact, the key to the success of Worldwide Internet Marketing Services is to demonstrate not only the benefits of increasing readership on a worldwide scale, but to offer the service at greatly reduced rates when compared to traditional media.

The ability of Worldwide Internet Marketing Services to offer competitive rates against not only traditional media, but other local Internet service providers, lies in the construction of the business itself. By creating a streamlined organization that concentrates on employee satisfaction first, Worldwide Internet Marketing Services will offer an environment where individual talent is allowed to flourish. We believe that employee satisfaction results in customer satisfaction, the key to success in any business.

Another aspect of Worldwide Internet Marketing Services that sets it ahead of its competition is the caliber of its technical staff. Most of the businesses we surveyed that are offering online Internet services lease the use of hardware and software resources from an Internet access provider. In contrast, Worldwide Internet Marketing Services will own and operate all hardware and software needed to deliver its services. This allows greater flexibility regarding purchase, maintenance, and configuration than a lease arrangement. And, because Worldwide Internet Marketing Services employs two professional computer network engineers, the delivery system itself can be streamlined to further reduce the company's expenses.

In order to compete in a marketplace that is open 24 hours per day, 7 days per week, our sales staff must be equipped with tools that make them independent of the corporation's physical location. Using advanced database technology, Worldwide Internet Marketing Services account representatives will be able to access the corporation's central database from virtually anywhere in the world. This is accomplished using notebook computers and the public telephone network. Instead of distributing printed marketing materials, account representatives can show potential clients live systems that are doing business on the Internet today. Once an order is finalized, it can be processed immediately by entering it into the company's accounting system. This not only results in fast delivery of services, but also eliminates waste of corporate resources.

## Proprietorship

Worldwide Internet Marketing Services is currently a D.B.A. (doing business as) of Shark Corporation. Shark Corporation itself is a venture capital firm founded to stimulate and develop online businesses. We expect Worldwide Internet Marketing Services to spin off into its own corporation once the business is established and begins to turn a profit. The board of directors for Shark Corporation are as follows:

Michael Bonelli, President  
Richard McFeely, Vice President  
Victor Gold, Treasurer  
Leonard Morgan, Secretary



## Target Markets

Worldwide Internet Marketing Services will target individuals and businesses who wish to establish and/or enhance their presence on the Internet. We will immediately begin marketing activities in the following cities:

Dallas, Texas  
 Houston, Texas  
 Billings, Montana  
 Denver, Colorado

The very nature of the Internet, being a global network, allows us to operate with equal efficiency in each of these target markets, as we have sales representatives located in each of the cities listed above. Combined with state-of-the-art contact management and accounting systems, delivery of professional services to our clients will be possible from virtually anywhere in the world.

## Selling a Presence on the Internet

The main goal of Worldwide Internet Marketing Services is to assist its clients, ranging from private individuals to large corporations, in furthering their presence on the Internet. The primary media that Worldwide Internet Marketing Services will use to accomplish this goal is the Internet's World Wide Web (WWW). Three years ago, there were less than 10,000 Web pages on the Internet (we think of a Web page as a single, full-page color advertisement). Today, there are over 16 million. As of December, 1995, 4% of the U.S. population (9.5 million) had direct access to the Internet, spending an average of 6.6 hours per week online. The average Internet user is 36 years old, college educated, with an average yearly income of \$62,000. The rapid emergence of advanced networking technologies and innovative software solutions has contributed to the Internet's staggering 30% annual growth rate since 1990.

We will present the Internet to our clients as a superior form of advertising in terms of the value of service per advertising dollar. By integrating Worldwide Internet Marketing Services into our client's existing marketing plans, we will establish ourselves quickly in this growing worldwide market. The following table indicates average rates for yellow pages, newsprint, radio and television (samples taken from the Denver, Colorado-area media markets), and demonstrates our ability to compete directly with these traditional forms.

Sample Media	Service Offering	Average Audience	Average Rates
Yellow Pages	Full page, color	250,000+ homes and businesses	\$823 monthly
Newsprint	Full page, black/white	110,000 (Sundays only)	\$6,000 monthly
Radio	30 seconds	500,000+	\$150-\$2,000
Television	30 seconds	2.5+ million (prime time)	\$3,000-\$5,000
Worldwide Internet Marketing Services	Commercial web page	30+ million, 24 hrs./day, 7 days/wk.	\$500 setup, \$1,000 monthly

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## Advantages

Unlike traditional media, information within the Web is cross-referenced. For example, a business may list additional resources that are related to the topic of one of its Web pages. In traditional media, this is usually some sort of citation or bibliography. On the WWW, these cross-references are live, meaning that a simple



click of the mouse on a particular citation will take you there immediately. This mechanism will also be used to weave a client's pages into the fabric of the WWW. For example, when a new page is placed online, we will register the page and its contents with the various search engines (similar to indexes) within the Internet. Future search results matching the new page's contents will be presented to the online user.

This weaving mechanism is far more effective at increasing readership than simply increasing publication rates. Because search facilities within the Internet use a weighted average method of determining whether a page meets specific search criteria, our client's pages could come up even if they are only somewhat related to the purpose of the search. For example, searching for pages on the topic of "kitchen knives" will yield results from companies that manufacture knives, kitchen knife wholesalers and retailers, knife sharpeners, kitchen knife interest groups, and so on. For the user who is really interested in kitchen knife interest groups, he or she may actually end up visiting a kitchen knife wholesaler's page, and find a real bargain. This sort of "incidental readership" is simply not possible with traditional media.

Another edge the Web possesses over traditional media is the ability to display color, graphics, sound and even animation within each Web page. Otherwise static advertisements can be brought to life using state-of-the-art multimedia tools. Our professional graphic artists will work closely with clients to achieve effective results, at a cost significantly lower than traditional media publication rates.

Advanced readership data collection is another area where traditional media cannot compete with a Web-based publication. For example, one of the standard measures collected for each of our clients is the so-called "hit rate" of the client's Web pages. This represents the number of times the page was accessed by an online user. Newspaper can guess at their readership by their circulation, but targeting readership statistics on a single advertisement is nearly impossible. Television and radio likewise suffer from this dilemma. By evaluating hit rates over time, we can work with our clients to streamline their messages to increase readership.

Web page hit rates are just one kind of measure available to our clients. Because Worldwide Internet Marketing Services employs two professional database programmers, virtually any kind of demographic data can be collected from readers who choose to fill out a form online. The data can then be presented to our clients in a format that allows them to continue to refine both their Web pages and their actual business processes to target this new kind of customer base.

The ultimate platform for commerce on the Internet is online sales. By integrating advanced database technology with Web page delivery systems, we can create virtual "malls" to distribute the products and services our clients have to offer. Online sales represent our largest profit potential, made possible only because Worldwide Internet Marketing Services employs two full-time computer professionals. The challenges of such a system include resolving legal issues associated with international commerce, building a sound and efficient delivery system, resolving concerns over the security of online transactions, and making it profitable for our clients. For these reasons, online sales must follow after the successful creation of a Web page delivery system.

## Service Offerings

The services Worldwide Internet Marketing Services will provide are based on two general billing categories: setup and maintenance. Setup describes the processes and resources needed to put a series of Web pages online. This fee is collected at the beginning of the order process, and can include the billable hours of various Worldwide Internet Marketing Services staff members. Maintenance represents the processes and resources needed to maintain the pages within the corporation's data processing resources, and can include client change requests.

The service groups Worldwide Internet Marketing Services will offer are as follows:

### Electronic Mailboxes

Electronic mail represents the personal correspondence medium of the Internet. Rates are set to compete with



existing Internet service providers, and group rates are available for businesses wishing to establish e-mail boxes for their employees.

### **Personal Web Pages**

A personal Web page allows a private individual to create and maintain a presence on the Internet. Setup and maintenance rates are set for the home-user's budget, and content and scope are left entirely to the individual.

### **Commercial Web Pages**

Advertisers, manufacturers, wholesalers, retailers...any commercial enterprise that is expanding into the Internet can set up customized Web pages to get their messages out. By using the professional layout and design staff resources of Worldwide Internet Marketing Services, clients can expect a polished look for their online customers. Rates are set to easily compete with traditional print and broadcast media, and can be scaled to meet any advertising budget. Content and layout are at the complete discretion of the client.

### **Online Sales**

This service takes the commercial Web page to the ultimate Internet presence: online transaction processing. By providing Worldwide Internet Marketing Services with a list of items to sell, a collection of pictures to scan and digitize, and specifying the online price of each item, our clients can open their businesses to the entire world. Worldwide Internet Marketing Services acts as the storefront, collecting funds and distributing them along with sales orders to our clients, who must then fill the orders. Once the system is setup, no additional sales and marketing resources are needed to keep the orders coming. The demographics of each buyer can be meticulously collected, such that our clients can continue to hone their approach to online sales. Again, content and layout—as well as the final price paid by an online buyer—are at the complete discretion of the client.

### **Web Design and Publishing Services**

While Worldwide Internet Marketing Services will offer complete service packages, which includes a number of pages, a boilerplate layout, and maintenance fees, client projects will often require additional customization. Our professional publishing staff can assist our clients in achieving the exact look and feel they desire to reach their online customers.

### **Network Design Services**

As the Internet itself expands into businesses, knowledge of how and why the Internet works will reach our clients. Because Worldwide Internet Marketing Services employs network design professionals, we can offer our clients complete solutions for creating and expanding existing premise network services, or even troubleshoot complex network problems. The goal of this service is to enhance the integration of our client's businesses into our own- to form a seamless partnership for continuous, mutual growth.

## **COMPETITION**

To understand the boundaries of the business, a discussion of what Worldwide Internet Marketing Services will not offer is as valuable as the previous discussion on service offerings. Biting off more than one can chew is often as dangerous as not biting enough. Setting the scope of the business-and, therefore, the expectations of all involved-will help us avoid feast/famine situations that disrupt cash flow and lead to unnecessary stress.

Indeed, each of our business processes is designed using this approach: specifying ahead of time what will be done and what will not. Such specificity will allow us to close business with clients much more effectively, and will allow us to measure and tune client satisfaction with precision.





Setting scope also allows us to fine-tune our position within this growing marketplace. In all instances, our services overlap with our local competitor's offerings to the extent of providing a presence online. Of the three Internet Web page provider companies we evaluated in the Denver, Colorado area, the following statements can be made:

- One is run by University of Colorado college students, and could not be contacted professionally. Their services cater to creating Web pages for businesses simply to get them online. No professional design services are available. They do not own their computing resources.
- Another offers much the same service, but is not scheduled to go online until March 1, 1996. Again, no professional contact was available to answer our questions. They do not own their computing resources.
- The third offers professional Web design services, and targets state and local government, schools and hospitals. They also offer connections to the Internet via large pools of modems (a modem is the computing device used to access the Internet using the public telephone network). Additionally, because of their relationship with a local cable TV provider, they commit resources to coordinating cable TV simulcasts with area educational institutions. Their biggest expense by far is the maintenance of the physical points of presence they have located in cities throughout Colorado. Since Worldwide Internet Marketing Services is focused simply on Web page delivery and not actual access to the Internet, we avoid these costs and their associated liabilities.
- None of the three offers online sales processing systems.
- None of the three offers network design and troubleshooting services.
- None of the three employ computer science professionals. Worldwide Internet Marketing Services employs two graduates from the Denver Technological University with a combined knowledge of networks, database systems, and application programming that spans more than 25 years.

During our research, it became clear that this is a new marketplace, with a huge amount of potential, but rife with potential obstacles as well. We believe the plan we have devised for this business fills the gaps we knew existed ahead of time, and effectively addresses the current competition. We firmly believe that breaking into this arena now will allow us to be entrenched and ready to meet the explosive growth the Internet will continue to see in the future.

## PERSONNEL

One of the key strengths of Worldwide Internet Marketing Services is the people who make it possible. In addition to personal relationships that exist within the group-some that extend as far back as 18 years-each brings to Worldwide Internet Marketing Services a sense of professionalism and drive that has been consistently successful for them in past endeavors. We all understand how important a tool the Internet can be to the success of our clients, and are committed to being not only financially strong, but well-respected among our clients and our competition. We will achieve this goal by producing win-win situations between Worldwide Internet Marketing Services and its clients using tools such as effective project scoping, personal contact, and highly flexible information systems.

Introducing the Worldwide Internet Marketing Services team!

### Michael Bonelli, Controller

Michael brings to Worldwide Internet Marketing Services a business management and sales background that includes establishing successful corporations. Michael's primary duties with Worldwide Internet Marketing Services include managing cash flow, acting as the corporation's primary non-client external contact, market analysis, and the day-to-day operation of Worldwide Internet Marketing Services as a business entity. Michael will also act as the Worldwide Internet Marketing Services account representative for the Denver, Colorado area.



## **Richard McFeely, Sales/Marketing Manager**

Richard's experiences as a professional stage manager and technical director for area theater groups, where coordination of human and physical resources to form both technically and artistically sound performances is essential, make him ideal as the corporation's Sales/Marketing Manager. Serving as the primary external client contact, Richard's duties include managing the sales process within Worldwide Internet Marketing Services, and ensuring orders are completed to client satisfaction. Richard is also the Worldwide Internet Marketing Services account representative for the Dallas, Texas area.

## **Charles Raschke, Artistic Director**

Screenplay author, school teacher, professional graphic artist, accomplished actor...all skills that Charles will use in his role as the corporation's Artistic Director. Charles' primary responsibilities include establishing standards for online publication, designing custom services for Worldwide Internet Marketing Services clients, and ensuring that the online "look and feel" of Worldwide Internet Marketing Services Web pages are professional and easy to use. Charles is also the Worldwide Internet Marketing Services account representative for Houston, Texas, by far our largest target market.

## **Glen Harper, Publisher**

We elected to ask Glen to join us in this venture primarily because of his limitless imagination and his skill with computers. As Web page publisher, Glen will transform client requests into Web pages using his graphic artistry and ability to invent realities where none existed before. Glen will also serve as the Worldwide Internet Marketing Services account representative for Billings, Montana.

## **Victor Gold, Database Administrator**

One of two computer science professionals on the Worldwide Internet Marketing Services team, Victor's primary responsibility is the integrity of the corporation's central store of data. His other duties include application design and programming, timely response to client service issues, in-house user support, and assisting with the design and implementation of the corporation's information systems.

## **Leonard Morgan, Network Operations Manager**

Leonard will use his extensive experiences with data networks and database systems to design, install and maintain the corporation's Network Operations Center, located in Denver, Colorado. Leonard's duties include application design and programming, training of in-house staff, and day-to-day operations of the corporation's hardware and software resources. Additionally, Leonard will contract his time out to clients needing network design and/or troubleshooting services.

Because the information system is key to the success of Worldwide Internet Marketing Services, Victor and Leonard will possess completely redundant knowledge of how the system operates, such that the corporation is protected from the untimely loss of either person.

## **Work Environment**

The design of our work environment was driven primarily by the environment of the Internet itself-a 24 hours per day, 7 days per week marketplace. As such, distinctions such as 8:00 a.m. to 5 :00 p.m., Monday through Friday, quickly lose meaning. Without exception, all members of the Worldwide Internet Marketing Services team believe such distinctions harm productivity in what must be a self-motivated, self-managed environment. While we appreciate that most of our clients will conduct their business using standard business hours, we also know that the real business-the delivery of our client's messages-goes on constantly.



Our work environment consists of company-provided mobile computing equipment installed in the home of each principle team member. Using the public telephone network, Worldwide Internet Marketing Services team members have complete access to the corporation's central data store 24 hours a day, 7 days a week. Actual work time will be scheduled around client availability and operating hours, allowing team members to integrate Worldwide Internet Marketing Services into their lives based on their own schedules. The result will be a much higher per-hour productivity rate than the traditional 8:00 to 5:00, Monday to Friday regimen.

This is made possible in part due to our order-entry system. Each request from a client is treated as a self-contained project with well-defined scope. As stated previously, setting project scope and expectations effectively on the front-end of the sales process will benefit both the client and Worldwide Internet Marketing Services. Any requests outside this pre-defined scope are considered new projects, and documented accordingly. Not only is this an effective change-control system, but it allows projects to be handed to Worldwide Internet Marketing Services employees to work on within their own schedules. Later, at the touch of a button, a customer's complete project history can be obtained and analyzed for areas where our relationship with the client can be enhanced.

Also, with such a system, we can normalize salaries across the board, and throw out a great deal of inter-office politics and "bad blood" from the very beginning. We feel these barriers are artificial, and only hurt the business. Our clients, we feel, will expect and appreciate that such a forward looking company would have such a futuristic method of conducting business.

Finally, our work environment could not exist without the full support and commitment of each Worldwide Internet Marketing Services team member.

## OPERATIONS

This section describes the operating procedures designed by the Worldwide Internet Marketing Services team to meet the challenges of delivering consistent, quality services to our clients and their online customers.

### The Challenges

Every new business faces similar challenges on the road to long-term financial health, and Worldwide Internet Marketing Services is certainly no exception. Meeting payroll, establishing and maintaining relationships with both clients and vendors, the endless filing of forms both internally and externally...all these areas can threaten even the most seasoned business professionals if a key element is missing: due diligence.

To understand the complexities of a business operation, one must first address each of the components that make up the processes the business uses to carry on day-to-day activities. Using flowcharting and other analysis tools, each process can then be examined for potential waste and streamlined. The combined processes—the essence of the business—will become collectively more efficient.

Due diligence comes into play when one recognizes that this process-by-process analysis is an ongoing, never-ending task that must be shared by all of the company's participants. Two Worldwide Internet Marketing Services staff members, Victor and Leonard, are ready to meet this challenge immediately; they both have received training from a previous employer on Total Quality Management techniques, which stress process analysis through due diligence as a key to long-term success.

### Scope Revisited

Identifying and setting scope, whether for client projects or process streamlining, will become the business management tool of choice for Worldwide Internet Marketing Services. The main purpose of effective scoping is to break a complex task into manageable pieces such that all involved parties gain a clear understanding of first what will be done, and second what will not be done.





For client relationships, the challenge becomes building an effective order-entry management system that not only provides flexible alternatives to the client, but one that guarantees a profit for the corporation as well. For employee relationships, it means building an infrastructure that allows individual talent to flourish within a home office environment while still maintaining immediacy with both the company and its clients.

For existing businesses, such an embrace of process analysis has traditionally been an arduous task, as many habits, such as sales commissions, departmental boundaries—anything that serves as a wedge between employees—must first be broken. Worldwide Internet Marketing Services has two distinct advantages in this regard. First, a new company has few, if any, bad habits to break. Second, being prepared for process analysis on the front end allows us to build key quality measurements into our information systems from the start. In this fashion, most of the process analysis can be done by computer.

Over time, what will develop is a business system that can react immediately to changes within the business environment, whether the forces of change come from internal or external sources. But even with such a complex business system, it must be made aware of the changes to its environment, and that is where due diligence on the part of the Worldwide Internet Marketing Services team is essential.

## Information Management Tools

Most of the business management tools will be accessed using the corporation's computer information systems. One of the strengths of the Worldwide Internet Marketing Services team is that it employs two professional trainers experienced with getting people quickly up to speed with complex software applications. The information system itself was designed to be accessible from remote mobile workstations using the public telephone network. What follows is a list of the tools available to each Worldwide Internet Marketing Services employee to carry on the business of the corporation.

### Mobile Workstation

Each remote employee will use a color notebook computer with a docking station located within the home office environment. A docking station is a device that allows the notebook computer to be inserted when the employee is at home. This turns the notebook computer into a full-featured workstation, complete with full-sized keyboard and video display, mouse, and other peripherals. When the employee travels onsite to a client's place of business, the notebook can be detached from the docking station. The notebook contains a high-speed modem for attachment to the public telephone network while the employee is at a client's place of business.

The benefit of the mobile workstation to the client is instant access to the Internet during meetings with the client. This means that not only are Worldwide Internet Marketing Services resources available for access, but the entire Internet as well. In this fashion, our clients can receive instant answers to their questions and concerns, browse Worldwide Internet Marketing Services pages to get a feel for the kind of services we offer, and scan the Internet itself for ideas and additional information. As a sales tool, the mobile remote workstation conveys professionalism and competence to the client.

For the employee, the docking station solves the ergonomic problem of long-term use of small keyboards and small display screens. By turning the notebook into a high-powered workstation, the value of the notebook computer is enhanced, and the employee gains a much friendlier work environment.

### Operating System

Each Worldwide Internet Marketing Services workstation will run the Microsoft Windows/NT operating system. Windows/NT represents the cutting edge of high-performance operating systems for personal computers, particularly in a business environment.



## Accounting Software

Worldwide Internet Marketing Services will use a software package from Intuit called QuickBooks Pro, which is designed specifically for small businesses. It features bank account management, printed checks, payroll, accounts payable/receivable, invoices, statements, inventory, audit trails, job costing, budgeting, and many others. It also features data import and export features that will be used to exchange accounting information with a custom project control application written by the Worldwide Internet Marketing Services information services staff.

## Project Management

Written specifically for Worldwide Internet Marketing Services, ProManager takes the entire process of doing business, combines it with quality management measurements, adds data shared with the accounting system, and produces a robust project management tool that is easy to use and understand. Worldwide Internet Marketing Services account representatives can create custom quotes, call up project information and history, and print custom contracts ready for client signature, all while the representative is on-site with the client. Change-orders, back steps (a quality management term used to describe inefficiencies within a business process), work history, and client satisfaction will all be documented within ProManager's history-tracking mechanism.

## Web Browser

The World Wide Web browser software of choice for Worldwide Internet Marketing Services is NetScape Navigator. This award-winning package is actually a control center for a variety of Internet services, including the Web, file transfers (FTP), electronic mail, and network news (the Usenet). NetScape also contains a "helper application" feature that allows NetScape to be seamlessly integrated into the desktop environment. As particular resources on the Internet are accessed, NetScape evaluates the contents of the information and executes the appropriate "helper application" to actually view the information. For Worldwide Internet Marketing Services clients already using the Internet, NetScape offers a consistent interface for evaluating Worldwide Internet Marketing Services-created pages.

NetScape also supports a wide variety of forms control features so that Web pages can be constructed to retrieve data entered by online users. Another feature of Worldwide Internet Marketing Services ProManager is the ability to create and maintain customized databases to track this input. Examples include demographic information, product preferences, suggestion boxes, and of course, the ultimate in Internet commerce, online sales.

## Mail and Scheduling

A benefit to the Windows/NT operating system is that it contains Microsoft Mail and Microsoft Schedule+. In an age of information, electronic mail is an indispensable business tool, and will be the primary form of internal correspondence, for clients already possessing electronic mail boxes, e-mail becomes a very useful tool to maintain client relationships. Microsoft Schedule+ is a calendaring and scheduling package that allows appointments to be scheduled online for groups of both human and physical resources. Both tools drastically reduce the amount of paper necessary to operate a business, and have built-in searching features that allow historical data to be accessed with ease.

## Office Automation

Office automation applications include word processing, spreadsheets, presentation managers, desktop publishers, and facsimile management. While complete suites of products exist to meet all these needs, Worldwide Internet Marketing Services will be using a customized suite of office automation tools designed to maximize productivity.



## Document Management

One of the goals of the Worldwide Internet Marketing Services information systems design is a paper less office environment. Both computing professionals on the Worldwide Internet Marketing Services team have worked in paper less offices in the past, and know the mechanics- and the pitfalls-of installing such a system. The key to a successful document management system is to first understand how processes actually flow within the corporation, and then design a system that fits these processes. Too often, the system is installed first, and only later is it discovered that inefficiencies such as dual-entry, slow response times on archival searches, and poor document indexing methods are a necessary part of the document management process. Worldwide Internet Marketing Services has chosen instead to define and refine its business processes first. Given the system we will be implementing, a document management system could very well end up as an application written in-house; current document management applications available commercially are very new, and rife with potential pitfalls.

## Software Development

One of the many advantages Worldwide Internet Marketing Services has over its competitors is two computer science professionals fluent in powerful programming languages. The ability to create robust applications on the fly will allow Worldwide Internet Marketing Services to be very flexible with regards to meeting both client and employee need. We think of application development as the "glue" holding the information systems design together.

## Central Database

All of the corporation's data and application software will be centrally located and spread over three physical server-class computers. One server will act as the central repository for all data relating to clients, and Worldwide Internet Marketing Services as a business entity. Using high-end database server technology, Worldwide Internet Marketing Services will share, distribute, and secure its electronic data among clients and employees.

## Network Operating System

The role of a network operating system is to provide secure access to shared resources such as files, printers, storage devices (hard disks, CD-ROMs, tape drives, etc.), and software applications. Worldwide Internet Marketing Services has selected the Microsoft Windows NT Advanced Server operating system to fill this important role. Windows NTAS, a network server edition of Windows NT, was designed for advanced networking within business environments, and is a perfect complement to our existing equipment.

## Network Operations Center

The basis of the Worldwide Internet Marketing Services information system is the Network Operations Center to be installed at 18765 Industrial Turnpike in Denver, Colorado. The design for the Center includes hardware, software, and cabling necessary to support the applications described above, as well as provide a sound delivery system for Web pages to online customers. Many of the features of this network design set Worldwide Internet Marketing Services well ahead of its competition, both in terms of knowledge of how complex networks are designed and implemented, and in terms of the tremendous processing power of the system itself. The key areas of the design are as follows:

## Internet Access

Direct Internet access from the Network Operations Center will be accomplished using Denver Cablevision's Netline Service. Traditionally, connections to the Internet have been made using dedicated digital service lines



leased through a service provider, such as the local telephone company. This type of service contributes to one of the current problems associated with using the Internet: bandwidth shortage.

Bandwidth describes how much data can be moved through a network over a period of time. Because the Internet has grown in size so quickly, many older networks are struggling to keep up with the increasing demand for data. This is likely to be a temporary situation, however, as elements such as the United States Communications Act of 1996, which allows open competition between local phone, long-distance phone and cable companies, combined with ever-emerging, faster networking technologies, will help reduce bandwidth as a constraint to conducting business on the Internet.

Denver Cablevision has met the challenge of bandwidth consumption through their Netline service. If we assume that a Web page consists of two kilobytes of information (a byte is a basic unit of measure for data, and can be thought of as a single letter of the alphabet; a kilobyte is a collection of 1,024 bytes), then the following table indicates the differences between Denver Cablevision's offering and traditional Internet connection methods:

Service	Installation Cost	Per Month Fee	Max Web Pages per Second
64kbs Digital Circuit	\$800-\$1200	\$400-\$600	32
1.55 Mbps Digital Circuit	\$2500-\$5000	\$1500-\$3000	794
Denver Cablevision 10 Mbps Netline Service	\$900 (waived for signing a 3-year contract)	\$450	5120

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Denver Cablevision 10 Mbps Netline Service	\$900 (waived for signing a 3-year contract)	\$450	5120

Clearly, Denver Cablevision's offering is the most cost-effective method of connecting to the Internet. And, other than Fort Collins and Denver, Colorado, this service is unavailable in virtually every other part of the United States. This means Worldwide Internet Marketing Services can deliver its services at speeds its competitors can only dream about.

Another benefit Denver Cablevision brings to the table is that the first two services listed above establish the physical connection to the Internet only; additional costs would be incurred to contract with an Internet service provider to actually begin the delivery of network data. Denver Cablevision's offering includes these costs.

The signal is brought to the Network Operation Center through Denver Cablevision's existing cable TV system. Connecting the entry point of this cable into the building to the Worldwide Internet Marketing Services network is the only network infrastructure installation task required for Internet access.

## Remote Internet Access

For each home office employee, the corporation will maintain an account with a nationwide Internet service provider that will allow them to access the Worldwide Internet Marketing Services network, as well as the rest of the Internet, from virtually any point in the public telephone network.

## Premise Network

The infrastructure for the Network Operation Center consists of two physical networks. One network is connected to Denver Cablevision's Netline service, and is therefore exposed to the Internet. All premise workstations are attached to this network, which serves as the primary office automation delivery system. A second, private network is based on high-speed (100Mbps) technology to offer very high bandwidth between



the corporation's server computers. This network will allow inter-server communications to remain separate and secure from the Internet, as well as provide enough bandwidth to scale easily as Worldwide Internet Marketing Services grows.

Cabling for the public data network will be distributed to most locations within the Network Operations Center. When employees come to the Center to work, they will be able to attach their notebook computers directly to the premise network. Groups of cables are located in key areas to facilitate employee work sessions.

## Network Management

Managing a successful network installation typically means avoiding productivity back steps such as network downtime, loss of data, application failure, and gaps in employee knowledge of the system. Consistent notification and analysis of network problems, coupled with a fault-tolerant network design, are the keys to a successful network implementation.

Some of the management features of the Worldwide Internet Marketing Services corporate network are as follows:

- Modular component design. This means that hardware components can be easily swapped among all network devices.
- Hot, standby power supply. An uninterruptable power supply will be installed that is capable of supplying power to network servers and hubs for approximately one hour, providing ample time for a controlled shutdown of all network devices if a prolonged power outage is expected. Backup power duration can be increased by simply adding batteries.
- Dual, mirrored fixed disks and disk controllers with in the database server. Data is written to multiple physical disk drives. Should a disk fail, a mirror copy of the data prevents data loss and server downtime.
- Interchangeable servers. Each server-class computer within the Worldwide Internet Marketing Services network will be configured such that it can perform all of the tasks of all other servers. This method allows periodic maintenance to be scheduled so that delivery of services is not interrupted.
- Backup and retrieval system. Every 24 hours, a complete copy of the corporation's data is written to data tapes. A tape rotation process ensures that multiple copies of the corporation's data are stored in secure locations to guard against catastrophic loss of the Network Operations Center. This is actually part of a larger disaster recovery plan covering the entire corporation,
- Windows NT Advanced Server. The network operating system itself contains a wealth of network management tools for monitoring the current health of the system. Notification of important network events is delivered by audible alarm, printed notification, electronic mail, and personal paging device. A management process that includes regular analysis of network activity logs will ensure stable network operation.
- Victor Gold and Leonard Morgan. The benefits of employing two computer science professionals means that Worldwide Internet Marketing Services will have much more intimate knowledge of its information systems than its competitors, who generally lease these services. This immediacy will result in a well-thought collection of network management processes designed to deliver consistent, quality services to Worldwide Internet Marketing Services employees, clients, and online customers.

## FINANCIAL DATA

***Note: Please see the Balance Sheet and Profit Analysis tables located at the end of this section for additional detail***

This section covers in detail the components that make up our financial plan. For the first year, we have detailed our forecast Balance Sheet and Profit Analysis by month. For years two and three, we have compiled





the same information by quarter. A key assumption in this process was to select the most conservative numbers possible, based primarily on our competition within both traditional print and broadcast media, and other online service providers. Even though our forecasts indicate strong financial health in the first year, given our position both professionally and technically, we believe we will do much better than the forecasts suggest.

## Income

In order to quantify each service rate, we constructed a series of spreadsheets that allowed us to break each service offering into its component parts. What followed were a series of formulas that we will integrate into ProManager, the project management software we will use. The main purpose of creating the formulas was to build a framework so that if the inputs into the formulas remain constant, the corporation will always earn revenue.

An ideal world consists of constant, predictable input into these formulas. However, meeting specific client's needs will almost certainly demand some flexibility with regard to actual billings. ProManager was designed to allow each Worldwide Internet Marketing Services account representative to modify the construction of these formulas in an easy-to-use fashion using both hypothetical and live client scenarios as guidelines. The deviation from the formulas can be recorded and later analyzed for possible streamlining of the entire sales process. The account representative can then look for patterns of sale, allowing the creation of an effective, everevolving sales presentation.

The key point to remember is that the mechanics of the business drive the formulas, not the reverse.

## Service Points

A service point is the basic unit of measure in the Worldwide Internet Marketing Services business process, and represents a single project with well-defined scope and costs. On the attached Balance Sheet and Profit Analysis spreadsheet, the Service Acquisition Rate indicates how many service points within each service offering we expect to accumulate over a one-month period. This is a key measurement, as it indicates how much business we must conduct to meet our financial goals.

## Setup fees

Setup costs represent the amount of time needed by various Worldwide Internet Marketing Services team members to create the essence of the service offering. For Web pages, this means the costs of the Worldwide Internet Marketing Services resources needed to design the layout, place and test the pages online, and scan any items to appear within the pages, all to the ultimate satisfaction of the client. Contracts will be constructed to include an agreed-upon number of changes, beyond which the client must pay for change-orders (such entities become new service points in this model).

Template Web page layouts will be available in package form. We expect, however, that most clients will want additional customization. The Design Services line item includes forecast costs for these add-on service points, and includes unscheduled change-orders. Similarly, the Network Services line item covers service points associated with consulting time for network design and troubleshooting services.

For consulting services, a service point is defined as a 10-hour block of time billed at \$120 per hour. The worksheet forecasts the acquisition rate for consulting services as a single service point per month each for design and network services.

## Maintenance Fees

Maintenance is defined as the per-month costs associated with storing and maintaining the integrity of client Internet resource information, and includes Web pages, database entries, and any other piece of information kept by Worldwide Internet Marketing Services on behalf of its clients. The maintenance fee formulas use the



following criteria to evaluate maintenance costs:

- Amount of information stored, measured in bytes;
- Database transaction collection, measured in number of data item per form (clients receive at no cost the hit rate, which is the number of times a page is loaded, for all their Web pages);
- Web page "dead link" maintenance, measured in number of links per Web page (a link is defined as an item on a Web page that, when clicked, loads another Web page. Links can load pages from anywhere in the Internet. Ensuring that these links actually load something is part of regular Web system maintenance. This process is almost completely automated).

## Online Sales

Because online sales represent the natural evolution of fully-interactive Web pages, it will be the last service point offering to become available. The forecast worksheet includes no revenue from this source for the first two months, and a modest acquisition rate of one service point every other month. Likewise, the elements that make up the online sales formulas are very conservative, and use the following assumptions:

- Setup and maintenance fees are identical to Commercial Web Page service points
- The per item cost of scanning and digitizing online sale items is \$ 10
- Worldwide Internet Marketing Services collects 7.5% of the online price from each transaction
- The formula assumes 25 items are for sale, and each one is scanned
- The formula assumes it requires 10 Web pages to sell these 25 items
- The formula assumes the average price of each item is \$ 10
- The formula assumes, in total, 30 items sold in one month

We believe that online sales will be a tremendous source of revenue for large-volume clients. Even using the numbers described above, the worksheet indicates an additional \$500 of revenue per month over the maintenance costs of a commercial web client.

## Non-profit Organizations

Community involvement is one way to build a company's reputation, and Worldwide Internet Marketing Services believes it can offer a tremendous service to non-profit organizations, who must deal with limited budgets. We expect to sign per-client contracts that specifically address these needs, and will, in many cases, offer pro bono services where the team feels it is warranted.

## Expenses

Another strength of Worldwide Internet Marketing Services will be its ability to conduct business with minimal ongoing expense. Every element of our business process design has had the goal of reducing expense wherever possible. Our business management system will allow us to react instantly to changes in our cash flow. Our work environment seeks to maximize productivity and minimize stress. In all, Worldwide Internet Marketing Services will become a streamlined business entity that will require comparatively little resources for the services it intends to deliver.

## Salary/Wages

The Worldwide Internet Marketing Services business philosophy allows us to normalize salaries for the six principle team members to \$25,000 annually over the first three years. A tight belt is easily loosened, and since salaries make up the biggest portion of our ongoing expenses, we chose a salary that would allow the company to grow as quickly as possible, while still meeting individual need.

Employee benefits will be one of the first challenges we will face as a new corporation. We intend to provide a



comprehensive set of benefits to all our employees. In fact, using Glen Harper, the Worldwide Internet Marketing Services Publisher, as an example (Glen has a wife and a new son; as such, they represent the greatest needs among all Worldwide Internet Marketing Services employees with regards to medical benefits), we intend to construct a package that is at once affordable to the corporation and meets the needs of all involved.

The percentage used to calculate the FICA line item was 6.2%.

## **Lease**

Because the Network Operations Center is located within the residence of the Network Operations Manager, we can greatly reduce our leasehold expense. The number appearing in this line item was calculated as a percentage of total square footage the network will occupy, and then multiplied by the monthly lease amount: 30% of 1350 sq. ft. costing \$850 per month is approximately \$250.

## **Network Installation/Operation**

By far the biggest start-up cost, network installation includes installing and testing the Network Operations Center, installing mobile workstations and testing remote connectivity, and designing and implementing the management processes needed to maintain network resources. A \$6000 per year operating budget covers equipment malfunction, media (disks and tapes), printer resources (paper, toner and ink cartridges), and other expenses associated with operating a network of this size.

During our design, we looked at leasing the equipment we would need for this operation. The primary advantage of a lease arrangement is much lower start-up costs, and potentially less monthly maintenance. A secondary attraction to leases is that much less technical skill is required to operate the equipment, since a service agreement is generally part of the overall lease.

However, a lease can be a disadvantage when something actually goes wrong with the system. In our business, we lose revenue for every minute our network is down. Even the best service contracts still have 4-8 hour response times, and the service generally comes at a stiff premium. With two network professionals on staff, this disadvantage disappears, as most network problems can be solved immediately with the resources available.

Another advantage to purchasing lies in the structure of Worldwide Internet Marketing Services itself. We expect Worldwide Internet Marketing Services to become a separate, wholly owned corporation in time. For the present, it is a D.B.A. of Shark Corporation. Shark Corporation will actually own the network resources. When Worldwide Internet Marketing Services incorporates, it will lease the use of these resources from Shark Corporation. The advantages come at tax time, when a combination of depreciation and leasehold write-offs reduces the real cost of ownership. The result is a fault-tolerant information delivery system that can react instantly to changes within its operating environment.

## **Marketing**

To increase our own name recognition, we have budgeted \$500 per month for year one, \$750 per month for year two, and \$1000 per month for year three. This amount covers not only marketing activities, but includes \$280 per year for membership in the Denver Regional Chamber of Commerce. The Denver Regional Chamber of Commerce offers many services to small businesses, particularly new firms, and includes market analysis, resources for capital equipment acquisition, and member databases containing detailed information about Denver businesses.

Our first advertising activity will consist of a direct mail piece targeting audiences gathered from our research at the Denver Regional Chamber of Commerce. We will also target local radio early in our marketing campaign.



## Utilities

Denver Cablevision's Netline service costs \$450 per month for 8 Internet (IP) addresses. This means eight physical Worldwide Internet Marketing Services network devices can join the Internet community using Denver Cablevision's offering. For signing a three-year contract, they will waive their \$1400 installation fee.

Power consumption is based on the specifications for the hardware as specified in the network design. We increase the cost \$5 every two months to reflect the power consumption costs of a growing network.

A toll-free (800) phone service line will be necessary to ensure that the Network Operations Center can be easily reached by both employees and clients. It will also act as the initial primary phone contact point for the entire corporation. The cost increases \$25 every six months to reflect increased usage over time.

Remote access costs are based on services available from one of the largest Internet service providers in the world. The cost of the service is \$29.95 per month per remote employee. This will allow each remote employee to attach to the Internet at virtually any point within the public telephone system. Though this cost stays constant, we expect the actual cost to reduce over time as competition between service providers increases.

## Loan Payments

This line item was included to show the monthly cost of a small business loan of \$200,000 at 8.5% paid over three years. This amount would pay for the initial capital investment, and cover our expenses for six months.

## Net Profits

The final section of the forecast spreadsheet indicates net profits before taxes. We expect this amount to be reduced at yearend by payments to shareholders and company reinvestment such that our revised net before taxes will place us in a strong tax situation.

Using the data from the entire forecast worksheet, we were able to create the enclosed cash flow analysis chart. Two elements of this chart worth noting are as follows:

- The corporation begins to turn a profit after month two.
- The start-up costs for the network are essentially paid for by month nine.

Even with the most conservative numbers, the financial outlook for Worldwide Internet Marketing Services is undeniably strong. Online sales, which we expect to be the biggest source of long-term revenue, do not figure significantly into our income projections due to our consistently conservative approach to the model itself. In short, we believe we are going to earn profits.

### Income

Service	Acq. Rate	Setup	Monthly Income	Month											
				1	2	3	4	5	6	7	8	9	10	11	12
Personal WEB Service															
	8.00	96	36	768	1,056	1,344	1,632	1,920	2,208	2,496	2,784	3,072	3,360	3,648	3,936
Commercial WEB Services															
	12.00	500	1,000	6,000		30,003	42,004	54,006	66,007	78,009	90,010	102,012	114,013	126,014	138,016
Online Sales	0.50	500	1,565	0	0	1,815	2,597	3,379	4,161	4,944	5,726	6,508	7,290	8,073	8,855
E-Mail Svcs.	10.00	45	15	450	600	750	900	1,050	1,200	1,350	1,500	1,650	1,800	1,950	2,100
Design Svcs.	2.0	1,200	0	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Network Svcs.	1.00	1,200	0	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
TOTALS				10,818	23,257	37,511	50,733	63,955	77,177	90,398	103,620	116,842	130,063	143,285	156,507
SERVICE POINTS				34	67	101	134	168	201	235	268	302	335	369	402
Six Month's Sales:								263,452	First Year Sales:				104,166		



## Balance Sheet and Profit Analysis (Year One)

	Acq. Rate	96	income 36	768	1,056	1,344	1,632	1,920	2,208	2,496	2,784	3,072	3,360
Personal WEB Service	8.00	96	36	768	1,056	1,344	1,632	1,920	2,208	2,496	2,784	3,072	3,360
Commercial WEB Services	12.00	500	1,000	6,000	18,001	30,003	42,004	54,006	66,007	78,009	90,010	102,012	114,014
Online Sales E-Mail Svcs.	0.50	500	1,565	0	0	1,815	2,597	3,379	4,161	4,944	5,726	6,508	7,290
Design Svcs.	10.00	45	15	450	600	750	900	1,050	1,200	1,350	1,500	1,650	1,800
Network Svcs.	2.0	1,200	0	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
	1.00	1,200	0	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<b>TOTALS</b>				<b>10,818</b>	<b>23,257</b>	<b>37,511</b>	<b>50,733</b>	<b>63,955</b>	<b>77,177</b>	<b>90,398</b>	<b>103,620</b>	<b>116,842</b>	<b>130,064</b>
<b>SERVICE POINTS</b>				<b>34</b>	<b>67</b>	<b>101</b>	<b>134</b>	<b>168</b>	<b>201</b>	<b>235</b>	<b>268</b>	<b>302</b>	<b>335</b>
				<b>Six Month's Sales: 263,452</b>						<b>First Year Sales:</b>			

### Expenses

	Startup	1	2	3	4	5	6	7	8	9	10	11	12
<b>Salary/Wages</b>													
1. Controller	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
2. Sales/Mktg. Mgr.	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
3. Database Mgr.	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
4. Network Operations Mgr.	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
5. Artistic Dir.	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
6. Publisher	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
7. FRCA	--	781	781	781	781	781	781	781	781	781	781	781	781
8. Lease	--	250	250	250	250	250	250	250	250	250	250	250	250
<b>C. Network Installation/Operation</b>													
	78,184	500	500	500	500	500	500	750	750	750	750	750	750
<b>D. Marketing</b>	--	500	500	500	500	500	500	500	500	500	500	500	500
<b>E. Utilities</b>	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>F. Server Cabling (Internet)</b>													
	--	450	450	450	450	450	450	450	450	450	450	450	450
<b>2. Power</b>	--	50	50	55	55	60	60	65	65	70	70	75	75
<b>3. (800 number)</b>	100	100	100	100	100	100	100	125	125	125	125	125	125
<b>4. Remote Access</b>	--	599	749	749	749	749	749	749	749	1,048	1,048	1,048	1,048
<b>F. Loan Payments (200,000 over 3 years @ 8.5%)</b>													
	--	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
<b>TOTALS</b>	90,834	22,330	22,485	22,485	22,490	22,490	22,770	22,770	22,775	23,074	23,079	23,079	23,079
				<b>Six month's Expenses: 134,759</b>				<b>First Year Expenses: 363,191</b>					

### Net

Month:	1	2	3	4	5	6	7	8	9	10	11	12
Net Before Taxes	(11,512)	778	15,027	28,248	41,465	54,687	67,628	80,850	94,067	106,989	120,206	133,427
				<b>Six month's Profits: 128,692</b>				<b>First Year Profits: 731,360</b>				

## Expenses

	Startup	1	2	3	4	5	6	7	8	9	10	11	12
<b>Salary/Wages</b>													
1. Controller	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
2. Sales/Mktg.	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100





Mgr.														
3. Database Mgr.	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
4. Network Operations Mgr.	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
5. Artistic Dir.	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
6. Publisher	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
7. FICA	—	781	781	781	781	781	781	781	781	781	781	781	781	781
B. Lease	—	250	250	250	250	250	250	250	250	250	250	250	250	250
C. Network Installation/ Operation	78,184	500	500	500	500	500	500	750	750	750	750	750	750	750
D. Marketing	—	500	500	500	500	500	500	500	500	500	500	500	500	500
E. Utilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1. Denver Cablevision (Internet)	—	450	450	450	450	450	450	450	450	450	450	450	450	450
2. Power	—	50	50	55	55	60	60	65	65	70	70	75	75	75
3. (800 number)	100	100	100	100	100	100	100	125	125	125	125	125	125	125
4. Remote Access	—	599	749	749	749	749	749	749	749	749	1,048	1,048	1,048	1,048
F. Loan Payments (200,000 over 3 years @ 8.5%)	—	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
TOTALS	90,884	22,330	22,480	22,485	22,485	22,490	22,490	22,770	22,770	22,775	23,074	23,079	23,084	23,089
			Six month's Expenses:					134,759		First Year Expenses:				
Net														
Month:	1	2	3	4	5	6	7	8	9	10	11	12		
Net Before Taxes	(11,512)	778	15,027	28,248	41,465	54,687	67,628	80,850	94,067	106,989	120,206	133,427	146,644	159,861
			Six month's Profits:				128,692			First Year Profits:				73,373

## Income

	Service Acq. Rate	Setup	Maint	Y2,Q1	Y2,Q2	Y2,Q3	Y2,Q4	Y3,Q1	Y3,Q2	Y3,Q3	Y3,Q4
Personal WEB Svcs.	8.00	96	36	4,800	5,664	6,528	7,392	8,256	9,120	9,984	10,848
Commercial WEB Svcs.	12.00	500	1,000	174,020	210,024	246,029	282,033	318,037	354,042	390,046	426,050
Online Sales	0.50	500	1,565	11,202	13,548	15,895	18,242	20,589	22,935	25,282	27,629
E-Mail Services	10.00	45	15	2,550	3,000	3,450	3,900	4,350	4,800	5,250	5,700
Design Services	2.00	1,200	0	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Network Services	1.00	1,200	0	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<b>TOTALS:</b>				<b>196,172</b>	<b>235,837</b>	<b>275,502</b>	<b>315,167</b>	<b>354,832</b>	<b>394,497</b>	<b>434,162</b>	<b>473,827</b>
<b>SERVICE POINTS:</b>				<b>503</b>	<b>603</b>	<b>704</b>	<b>804</b>	<b>905</b>	<b>1,005</b>	<b>1,106</b>	<b>1,206</b>
				<b>Second Year Sales: 1,022,677</b>				<b>Third Year Sales: 1,657,319</b>			



## Profit Analysis (Years Two and Three)

### Income

	Service			Y2, Q1	Y2, Q2	Y2, Q3	Y2, Q4	Y3, Q1	Y3, Q2	Y3, Q3	Y3, Q4	
	Acq. Rate	Setup	Maint									
Personal WEB Svcs.	8.00	96	36	4,800	5,664	6,528	7,392	8,256	9,120	9,984	10,848	
Commercial WEB Svcs.	12.00	500	1,000	174,020	210,024	246,029	282,033	318,037	354,042	390,046	426,050	
Online Sales	0.50	500	1,565	11,202	13,548	15,895	18,242	20,589	22,935	25,282	27,629	
E-Mail Services	10.00	45	15	2,550	3,000	3,450	3,900	4,350	4,800	5,250	5,700	
Design Services	2.00	1,200	0	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	
Network Services	1.00	1,200	0	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	
TOTALS:				196,172	235,837	275,502	315,167	354,832	394,497	434,162	473,827	
SERVICE POINTS:				503	603	704	804	905	1005	1106	1206	
Second Year Sales:				1,022,677				Third Year Sales:				1,657,319

### Expenses

	Y2, Q1	Y2, Q2	Y2, Q3	Y2, Q4	Y3, Q1	Y3, Q2	Y3, Q3	Y3, Q4
A. Salary/Wages								
1. Controller	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
2. Sales/Marketing Mgr.	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
3. Database Manager	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
4. Network Operations Mgr.	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
5. Artistic Director	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
6. Publisher	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
7. FICA	2,343	2,343	2,343	2,343	2,343	2,343	2,343	2,343
B. Lease	750	750	750	750	750	750	750	750
C. Network Installation/Operation	2,250	2,250	2,250	3,000	3,000	3,000	3,000	4,500
D. Marketing	2,250	2,250	2,250	2,250	3,000	3,000	3,000	3,000
E. Utilities	--	--	--	--	--	--	--	--
1. Denver Cablevision (Internet)	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
2. Power	150	165	180	195	200	205	210	300
3. (800 Number)	375	375	375	375	400	400	400	400
4. Remote Access	1,048	1,048	1,048	1,498	1,498	1,498	1,498	1,498
F. Loan Payments (200,000 over 3 years @ 8.5%)	19,500	19,500	119,500	19,500	19,500	19,500	19,500	19,500
<b>TOTALS:</b>	67,816	67,831	67,846	69,061	69,841	69,846	69,851	71,441
<b>2nd Year Expenses:</b> 272,554				<b>3rd Year Expenses:</b> 280,977				

### Net

	Y2, Q1	Y2, Q2	Y2, Q3	Y2, Q4	Y3, Q1	Y3, Q2	Y3, Q3	Y3, Q4
Net Before Taxes	128,356	168,006	207,656	246,106	284,992	324,652	364,312	402,387
<b>2nd Year Profits:</b> 750,123				<b>Third Year Profits:</b> 1,376,342				
				<b>Three-Year Profits:</b> 2,858,324				

### Expenses

	Y2, Q1	Y2, Q2	Y2, Q3	Y2, Q4	Y3, Q1	Y3, Q2	Y3, Q3	Y3, Q4
A. Salary/Wages								
1. Controller	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
2. Sales/Marketing Mgr.	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
3. Database Manager	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
4. Network Operations Mgr.	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300



5. Artistic Director	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
6. Publisher	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300
7. FICA	2,343	2,343	2,343	2,343	2,343	2,343	2,343	2,343
B. Lease	750	750	750	750	750	750	750	750
C. Network Installation/Operation	2,250	2,250	2,250	3,000	3,000	3,000	3,000	4,500
D. Marketing	2,250	2,250	2,250	2,250	3,000	3,000	3,000	3,000
E. Utilities	—	—	—	—	—	—	—	—
1. Denver Cablevision (Internet)	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
2. Power	150	165	180	195	200	205	210	300
3. (800 Number)	375	375	375	375	400	400	400	400
4. Remote Access	1,048	1,048	1,048	1,498	1,498	1,498	1,498	1,498
F. Loan Payments (200,000 over 3 years @ 8.5%)	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
TOTALS:	67,816	67,831	67,846	69,061	69,841	69,846	69,851	71,441
	2nd Year Expenses:			272,554	3rd Year Expenses:			280,977
Net								
	Y2, Q1	Y2, Q2	Y2, Q3	Y2, Q4	Y3, Q1	Y3, Q2	Y3, Q3	Y3, Q4
Net Before Taxes	128,356	168,006	207,656	246,106	284,992	324,652	364,312	402,387
	2nd Year Profits:			750,123	Third Year Profits:			1,376,342
					Three-Year Profits:			2,858,324

#### Network Infrastructure

Qty.	Description	Vendor	Cost	Total
1	100BASETXHub (8 100Mbps ports)	DCW,p 13	1,449.00	1,449.00
1	10BASE T Hub (16 10Mbps ports)	DCW,p 13	259.00	259.00
1	Equipment rack 60"W x 24"D x 74"H	Global,p 215	222.95	222.95
1	Category Install Kit (1000ft cable, tester)	DCW,p 75	279.00	279.00
1	Universal Coaxial Installation Kit	DCW,p 70	299.00	299.00
6	Cat 5 patch cable, 25', 3 red, 3 green	DCW,p 82	15.95	95.70
6	Cat 5 patch cable, 14', 3 red, 3 green	DCW,p 82	11.95	71.70
2	SMC EtherPower PCI 10/100 NIC	DCW,p 24	529.00	1,058.00
1	SMC EtherPower EISA 10/100 NICs, 5pak	DCW,p 24	1,119.00	1,119.00
1	SMC EtherPower EISA 10/100 NIC	DCW,p 24	239.00	239.00
3	SMC EtherEZ 10Mbps NIC	DCW,p 24	94.95	284.85
1	APC Smart-UPS 2200 w/PowerChute	DCW,p 15	1,229.95	1,229.95
4	Megahertz PCMCIA Ethernet Modem 28.8	DCW,p 41	350.00	350.00
	<b>Total:</b>			6,957.15

#### Internetwork Component Cost Schedule

##### Network Infrastructure

Qty.	Description	Vendor	Cost	Total
1	100 BASE TX Hub (8 100Mbps ports)	DCW, p 13	1,449.00	1,449.00
1	10 BASE T Hub (16 10Mbps ports)	DCW, p 13	259.00	259.00
1	Equipment rack 60"W x 24"D x 74"H	Global, p 215	222.95	222.95
1	Category Install Kit (1000ft cable, tester)	DCW, p 75	279.00	279.00
1	Universal Coaxial Installation Kit	DCW, p 70	299.00	299.00
6	Cat 5 patch cable, 25', 3 red, 3 green	DCW, p 82	15.95	95.70
6	Cat 5 patch cable, 14', 3 red, 3 green	DCW, p 82	11.95	71.70



## Internetwork Component Cost Schedule

2	SMC Ether Power PCI 10/100 NIC	DCW, p 24	529.00	1,058.00
1	SMC Ether Power EISA 10/100 NICs, 5pak	DCW, p 24	1,119.00	1,119.00
1	SMC Ether Power EISA 10/100 NIC	DCW, p 24	239.00	239.00
3	SMC Ether EZ 10Mbps NIC	DCW, p 24	94.95	284.85
1	APC Smart-UPS 2200 w/PowerChute	DCW, p 15	1,229.95	1,229.95
4	Megahertz PCMCIA Ethernet Modem 28.8	DCW, p 41	350.00	350.00
<b>Total:</b>				<b>6,957.15</b>

### Database Server

Qty.	Description	Vendor	Cost	Total
1	Dual Pentium 133, 32MB, 2GB, PCI/EISA	Gateway	5,135.00	5,135.00
1	32MB Memory upgrade	Gateway	1,200.00	1,200.00
1	Upgrade 2GB disk to 4GB	Gateway	500.00	500.00
2	GB disk	Gateway	1,200.00	2,400.00
1	Exe Byte 7GB 8mm tape w/SCSI, external	Insight, p 28	1,999.00	1,999.00
<b>Total:</b>				<b>11,234.00</b>

### Process Servers

Qty.	Description	Vendor	Cost	Total
2	Pentium 133, 32MB, 2GB, PCI/EISA	Gateway	4,735.00	9,470.00
2	32MB Memory Upgrade	Gateway	1,200.00	2,400.00
<b>Total:</b>				<b>11,870.00</b>

### Workstations

Qty.	Description	Vendor	Cost	Total
2	Pentium 120, 16MB, 1.2GB, PCI/ISA	Net Computers	1,929.00	3,858.00
2	16MB memory upgrades	Net Computers	519.00	1,038.00
3	KFC 15" SVGA color display	Net Computers	335.00	1,005.00
1	KFC 17" SVGA color display	Net Computers	600.00	2,007.00
1	1MB video adapter upgrade	Net Computers	100.00	200.00
4	Compaq LITE 5000/30 notebook	Net Computers	4,700.00	18,800.00
4	Compaq Docking Stations for LITE 5000	Net Computers	2,000.00	8,000.00
4	Carrying cases for LITE 5000	Net Computers	150.00	600.00
4	8MB memory upgrades for LITE 5000	Net Computers	400.00	1,600.00
<b>Total:</b>				<b>37,100.00</b>

### Printing

Qty.	Description	Vendor	Cost	Total
1	DeskJet-Packard DeskJet 600c color Total	Insight, p 37	300.00	300.00
1	Color ink cartridge for HP 600c	Insight, p 37	20.00	20.00
1	Black ink cartridge for HP 600c	Insight, p 37	20.00	20.00
1	HP ScanJet Color Scanner	Insight, p 40	800.00	800.00
<b>Total:</b>				<b>1,247.00</b>

### Software

Qty.	Description	Vendor	Cost	Total
1	Windows NTAS, 10 WinNT client pak	DCW, p 10	940.00	940.00
2	Windows NTAS server licenses	DCW, p 10	170.00	340.00
1	Redhat Linux for NT, 20 licenses	Redhat	5,000.00	5,000.00
1	Redhat 4.0 for Client/Server	Redhat	500.00	500.00

## Database Server

Qty.	Description	Vendor	Cost	Total
1	Dual Pentium 133, 32MB, 2GB, PCI/EISA	Gateway	5,135.00	5,135.00
1	32MB Memory upgrade	Gateway	1,200.00	1,200.00
1	Upgrade 2GB disk to 4GB	Gateway	500.00	500.00
2	GB disk	Gateway	1,200.00	2,400.00
1	Exe Byte 7GB 8mm tape w/SCSI, external	Insight, p 28	1,999.00	1,999.00
<b>Total:</b>				<b>11,234.00</b>

## Process Servers

Qty.	Description	Vendor	Cost	Total
2	Pentium 133, 32MB, 2GB, PCI/EISA	Gateway	4,735.00	9,470.00
2	32MB Memory Upgrade	Gateway	1,200.00	2,400.00
<b>Total:</b>				<b>11,870.00</b>

## Workstations

Qty.	Description	Vendor	Cost	Total
2	Pentium 120, 16MB, 1.2GB, PCI/ISA	Net Computers	1,929.00	3,858.00
2	16MB memory upgrades	Net Computers	519.00	1,038.00
3	KFC 15" SVGA color display	Net Computers	335.00	1,005.00



3	KFC 17" SVGA color display	Net Computers	669.00	2,007.00
1	1MB video adapter upgrades	Net Computers	100.00	200.00
4	Compaq LTE 5000/810 notebook	Net Computers	4,700.00	18,800.00
4	Compaq Docking Stations for LTE 5000	Net Computers	2,000.00	8,000.00
4	Carrying cases for LTE 5000	Net Computers	150.00	600.00
4	8MB memory upgrades for LTE 5000	Net Computers	400.00	1,600.00
<b>Total:</b>				37,108.00

### Printing

Qty.	Description	Vendor	Cost	Total
1	Hewlett-Packard DeskJet 660c color Total	Insight, p 37	389.00	389.00
1	Color ink cartridge for HP 660c	Insight, p 37	29.00	29.00
1	Black ink cartridge for HP 660c	Insight, p 37	29.00	29.00
1	HP ScanJet Color Scanner	Insight, p 40	800.00	800.00
<b>Total:</b>				1,247.00

### Software

Qty.	Description	Vendor	Cost	Total
1	Windows/NTAS, 10 Win/NT client pak	DCW, p 10	949.95	949.95
2	Windows/NTAS server licenses	DCW, p 10	579.95	1,159.90
1	Borland Interbase for NT, 20 licenses	Borland	5,000.00	5,000.00
1	Borland delphi Client/Server	Borland	595.00	595.00
1	QuickBooks Pro	Intuit	200.00	200.00
1	Microsoft Excel 5.0	Global, p 54	289.95	289.95
1	WordPerfect 6.1	Global, p 56	279.00	279.00
1	Microsoft Mail Server	CS, p 380	299.00	299.00
1	Director 4.0 (desktop/WEB publishing)	CS, p 380	500.00	500.00
1	Purveyor WEB Server for Windows/NT	OTEC, p 86	495.00	495.00
<b>Total:</b>			9,767.80	
<b>Subtotal:</b>				78,183.95

1	QuickBooks Pro	Intuit	200.00	200.00
1	Microsoft Excel 5.0	Global, p 54	289.95	289.95
1	Word Perfect 6.1	Global, p 56	279.00	279.00
1	Microsoft Mail Server	CS, p 380	299.00	299.00
1	Director 4.0 (desktop/WEB publishing)	CS, p 380	500.00	500.00
1	Purveyor WEB Server for Windows/NT	OTEC, p 86	495.00	495.00
<b>Total:</b>			9,767.80	
<b>Subtotal:</b>				78,183.95

Qty.	Description	Vendor	Cost	Total
1	TCI MET Service Installation	TCI	900.00	WAIVED
20	Systems Assured Network Design, hourly rate	L. Morgan	150.00	3,000.00
160	Newtwork Installation and Testing, hourly rate	Shark IS Staff	150.00	WAIVED
<b>Total:</b>				3,000.00

### Services

Qty.	Description	Vendor	Cost	Total
1	TCI MET Service Installation	TCI	900.00	WAIVED
20	Systems Assured Network Design, hourly rate	L. Morgan	150.00	3,000.00
160	Newtwork Installation and Testing, hourly rate	Shark IS Staff	150.00	WAIVED
<b>Total:</b>				3,000.00





Qty.	Description	Vendor	Cost	Total
12	TCI Met Service	TCI	450.00	5,400.00
12	Electric Utility	CPC	50.00	600.00
12	INTERNET Service Providers, 5 people	Interramp	149.75	1,797.00
1	Operating budget	Shark	6,000.00	6,000.00
			<b>Total:</b>	<b>13,797.00</b>

## First-Year Expenses

Qty.	Description	Vendor	Cost	Total
12	TCI Met Service	TCI	450.00	5,400.00
12	Electric Utility	CPC	50.00	600.00
12	INTERNET Service Providers, 5 people	Interramp	149.75	1,797.00
1	Operating budget	Shark	6,000.00	6,000.00
			<b>Total:</b>	<b>13,797.00</b>

## First Year Cash Flow Analysis

Month:	1	2	3	4	5	6
Startup Equipment Costs	93,000	93,000	93,000	93,000	93,000	93,000
Expenses	22,000	22,000	22,000	22,000	22,000	22,000
Income	10,000	22,000	39,000	53,000	61,000	77,000
Profits	(10,000)	0	15,000	26,000	40,000	52,000

Month:	1	2	3	4	5	6
Startup Equipment Costs	93,000	93,000	93,000	93,000	93,000	93,000
Expenses	22,000	22,000	22,000	22,000	22,000	22,000
Income	10,000	22,000	39,000	53,000	61,000	77,000
Profits	(10,000)	0	15,000	26,000	40,000	52,000

Month:	7	8	9	10	11	12
Startup Equipment Costs	93,000	93,000	93,000	93,000	93,000	93,000
Expenses	22,000	22,000	22,000	22,000	22,000	22,000
Income	93,000	104,000	120,000	137,000	142,000	157,000
Profits	70,000	77,000	93,000	110,000	120,000	130,000

Month:	7	8	9	10	11	12
Startup Equipment Costs	93,000	93,000	93,000	93,000	93,000	93,000
Expenses	22,000	22,000	22,000	22,000	22,000	22,000
Income	93,000	104,000	120,000	137,000	142,000	157,000
Profits	70,000	77,000	93,000	110,000	120,000	130,000

## APPENDIX

This section includes an implementation plan outline that covers the first 90 days of operation, once financing is secured. We include this section to demonstrate our readiness to undertake this task immediately. For purposes of this outline, Month Zero represents the 30-day period just prior to where Month 1 starts within the forecast spreadsheet.

### 90-Day Action Plan Outline

- Month Zero Goal - Ready to go live by beginning of Month 1
  - Begin client acquisition
  - Begin capital equipment purchases
  - Install Network Operation Center
  - Design all Worldwide Internet Marketing Services business processes. For each process:
    - Define each team member's operational scope



- Define each business process, produce task list
  - Assign tasks to each team member. Tasks are ongoing
- Begin test runs of accounting system processes
- Begin test runs of Pro Manager integration
- Train Worldwide Internet Marketing Services team on software applications
- Month One Goal - Demonstrate delivery System
  - Put first client Web pages online
  - Complete test runs on accounting system processes
  - Complete test runs on Pro Manager Integration
  - Complete training of Worldwide Internet Marketing Services team
  - Begin design of online sales delivery process
  - Continue test runs on all other Worldwide Internet Marketing Services business processes
- Month Two Goal - Systems Assurance
  - Continue to build client base
  - Complete test runs on business processes. Begin ongoing analysis and improvement.
  - Begin test runs of online sales delivery system
  - Begin to examine historical client data on a regular basis
- Month Three goal - Online Sales
  - Continue to build client base
  - Select first online sales client
  - Continue test runs of online sales delivery system
  - Continue business process analysis and improvement