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## **Preface**

This Executive Summary is part of a 50-page Business Plan, which has 59 additional pages for three financial forecast scenarios and a 23-Market Share and Penetration Appendix completed by Senior Consulting, t/a [www.TheBusinessPlanConsultants.Com](http://www.TheBusinessPlanConsultants.Com).

## **Executive Summary**

### ***COMPANY OVERVIEW***

ABC, Inc., a \_\_\_\_\_ corporation, d/b/a DEF, (The “Company”) has extensive expertise and intellectual property in the areas of \_\_\_\_\_ computing, \_\_\_\_\_ technology, data storage, disaster recovery and security. The Company’s deep and talented team led by John Smith, CEO, employs the most modern components and algorithms in efforts to redefine and establish the next generation of \_\_\_\_\_ services.

### ***MISSION***

The Company’s goals are to establish a new paradigm in \_\_\_\_\_ that both provides a new means of applications and Internet access for the majority of the U.S. population and affordable computing for populations worldwide. ABC’s mission includes providing a level of service and excellence that is uncommon in today’s society, including personal and engaging customer service. ABC is a Christian organization, and its practices in all business relationships and transactions reflect our principles and beliefs. The Company is committed to giving back and donating 10% of the Company’s net profits to worthy causes including establishing faith-based computing centers through an affiliate GHI, Inc., a \_\_\_\_\_ nonprofit organization and other third party charitable providers.

### ***PRODUCT / SERVICE DESCRIPTION***

DEF is a revolutionary new type of \_\_\_\_\_ for consumers. The DEF service allows \_\_\_\_\_

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**MARKET OVERVIEW**

According to a \_\_\_\_\_ Report, there were over 50 million \_\_\_\_\_ subscribers at the end of 2006 (of which 29 million are \_\_\_\_\_ subscribers), and it estimates there will be 60 million by the end of 2007 (55% of US households). An additional 36 million \_\_\_\_\_ subscribers do not have \_\_\_\_\_ service but will now have another reason to purchase \_\_\_\_\_ service. This should drive up \_\_\_\_\_ sales for the \_\_\_\_\_ companies and increase DEF's potential customer base, as ABC's service is provided through \_\_\_\_\_ providers.

Initial and ongoing discussions with major U.S. \_\_\_\_\_ providers have garnered extensive interest, and negotiations continue where these providers would market DEF as part of their service, eliminating the need for an extensive Company marketing budget.

While it took 27 years to reach one billion PCs worldwide, a June 2007 Forrester Research Report (See Business Plan) says it will take only five years to reach the next billion due to advancing technology, low prices and global demand due to a growing technology-savvy population. The reason these international markets have not readily adopted the PC is price point.

With DEF methodology, \_\_\_\_\_ can provide a service that will \_\_\_\_\_, cost \_\_\_\_\_, and will use \_\_\_\_\_ of the energy, allowing these markets to enjoy \_\_\_\_\_ services for a cost that can be much lower than the traditional \_\_\_\_\_.

**COMPETITIVE ADVANTAGE**

ABC expects to be the first company to provide this service to the \_\_\_\_\_ market. Industry manufacturers and third party research have concluded that no other company has established an \_\_\_\_\_ service for this market. Since the execution of the service is based on \_\_\_\_\_ years of proven technologies employed extensively in the \_\_\_\_\_ sector, the foundation on which this model stands is very solid. An impressive group of engineers, including the founder of the Company as detailed in the Business Plan will manage the \_\_\_\_\_ and work closely with data center from which the service will be accessed.

Expected \_\_\_\_\_ partnering has advantages, as they will be able to provide established marketing and billing services, with DEF services added to the consumer's \_\_\_\_\_ bill. Virtually eliminating advertising and billing expenses for the Company reduces operating capital requirements and, therefore, risks to investors and shareholders.

**BUSINESS STRATEGY**

\_\_\_\_\_  
\_\_\_\_\_

**MANAGEMENT**

John Smith, CEO and Founder of the Company, has worked as a team leader and educator to \_\_\_\_\_ Companies for over a decade in the core technology that will be used by ABC to provide its services to the consumer market. He and his team are experts in \_\_\_\_\_ and have established relationships in the industry that position ABC to establish

partnerships and \_\_\_\_\_ agreements to deliver this technology to consumers. Mr. Smith has chosen to surround himself with men and women with long standing technical experience in the technologies and of the highest integrity. Bios are included in the Business Plan, with resumes available upon request. In addition, the Company will be adding two senior management staff with \_\_\_\_\_ experience, the first being a CFO and the second a VP of Business Development.

***INVESTMENT***

Initial funding of \$\_\_\_ million is needed to establish the initial one to two \_\_\_\_\_ markets in Phase I of operations. A Thirty Percent (30%) equity stake in the Company is available for the initial Phase I investors. The Company will thereafter seek a commitment for Phase II investment of \$\_\_\_ M or more that will very quickly position the Company to expand nationally in multiple \_\_\_\_\_ markets, with additional growth thereafter fueled by those revenues. With risks in Phase II substantially reduced, Phase II investors will receive up to a Seventeen Percent (17%) equity stake in the Company. An initial investor currently retains a Three Percent (3%) equity stake.

***EXIT STRATEGY***

Investors will participate in profits within two quarters of the Company having net profits, to develop reserves, which management anticipates will take 18-24 months (See Forecasts attached to Business Plan). The Company may consider a merger, an IPO, and other exit strategy options that are in the best interest of the Company and its shareholders.

***SOURCES AND USES OF FUNDS***

***PHASE I***

Phase I funding is required to deliver the \_\_\_\_\_ to consumers in the initial market, expected to be a one or two \_\_\_\_\_ provider(s) with approximately 250,000 \_\_\_\_\_, with Uses of Funds for Phase I is as follows:

**USES OF FUNDS PHASE I**

HP (2)	\$200,000
Storage Array (TB) (3)	\$85,000
Telephone System	\$150,000
Call Center Equipment	\$25,000
Office Equipment	\$20,000
Engineer Support Tools (Laptops)	\$10,000
Office Supplies	\$5,000
Backoffice Outsourcing	\$4,500
Lease Deposit (4)	\$10,000
Utility Deposits (5)	\$10,000
Operating Capital (6)	\$1,090,280

Business Consultant (8)	\$30,000
Organizational Costs (9)	\$30,000
Investment Banking Fees/Closing Costs (10)	\$160,000
Contingency (11)	\$115,220
<b>TOTAL</b>	<b>\$2,000,000</b>

- (2) Represents the purchase of 20 \_\_\_\_\_.
- (3) Represents the purchase of 5 storage arrays, each with one terabyte of storage.
- (4) Deposit on lease of space from \_\_\_\_\_.
- (5) Deposits for electric, phone and gas services.
- (6) See Income & Expenses Statement for detailed information on all operating costs that determine operating capital requirements, with the total herein representing operating losses through Month 6.
- (7) Estimated.
- (8) Payment to Senior Consulting, LLC and other consultants
- (9) Costs associated with organizing the Company and affiliates.
- (10) Assumes eight percent of gross funding for fees/closing costs.
- (11) Allowance of approximately 5.75% of gross funding.

## ***PHASE II***

The Uses of Funds for Phase II is as follows:

### **USES OF FUNDS PHASE II**

HP (2)	\$200,000
Storage Array (TB) (3)	\$150,000
Telephone System (4)	\$150,000
Call Center Equipment (4)	\$25,000
Office Equipment (5)	\$20,000
Engineer Support Tools (Laptops) (5)	\$10,000
Office Supplies	\$5,000
Backoffice Outsourcing	\$4,500
Lease Deposit (6)	\$10,000
Utility Deposits (7)	\$10,000
Operating Capital (8)	\$2,237,645
Legal (9)	\$35,000
Accounting (9)	\$20,000
Business Consultant (10)	\$30,000
Organizational Costs (11)	\$30,000
Investment Banking Fees/Closing Costs (12)	\$280,000
Contingency (13)	\$282,855
<b>TOTAL</b>	<b>\$3,500,000</b>

## Notes Uses of Funds Phase II

- (1) Investment from Equity Partner.
- (2) Represents the purchase of 20 additional \_\_\_\_\_ with the remainder purchased from operating capital.
- (3) Represents the purchase of additional 10 storage arrays, each with one terabyte of storage.
- (4) Additional equipment, as needed, will be purchased from operating capital.
- (5) Added Equipment for expanded staff.
- (6) Deposit on lease of space from \_\_\_\_\_.
- (7) Deposits for electric, phone and gas services.
- (8) See Income & Expenses Statement for detailed information on all operating costs that determine operating capital requirements, with the total herein representing operating losses through Month 26, minus Phase I Operating Capital forecasted at \$1,090,280.
- (9) Estimated.
- (10) Payment to Senior Consulting, LLC and other consultants
- (11) Costs associated with organizing the Company and affiliates.
- (12) Assumes eight percent of gross funding for fees/closing costs.
- (13) Allowance of approximately 8% of gross funding.

## FORECASTS

While the Company expects two Phases of investment as described herein, the Forecasts are completed as two distinct scenarios versus a phased growth. Both Phase I and Phase II forecasts are prepared based on operations from the inception of capitalization of the Company of \$\_\_\_\_ Million. Since the Company's business model is reliant on contracting with \_\_\_\_\_ Providers and extensive efforts of management continue in that regard with many \_\_\_\_\_, the timing of how many systems and how many consumers is an open item. Therefore, the Phase I and II Forecasts offer two scenarios of growth, with Phase I at 250,000 consumers and Phase II at 1 Million consumers.

### PHASE I

A user population of \_\_\_\_\_ is needed in order to break-even in Phase I. The Phase I Forecast estimates that the Company will be profitable by month 22. The following Summary shows the Gross Income projected for Phase I and the resulting EBIT, Charitable Contributions, Taxes, and Funds Available for Distribution to Shareholders:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Gross Income	\$159,375	\$1,338,750	\$4,350,000	\$6,000,000	\$6,000,000
EBIT	(\$793,430)	(\$254,066)	\$1,703,267	\$3,111,806	\$3,008,056
Charitable Contributions	\$0	\$4,278	\$170,327	\$311,181	\$300,806
State & Federal Income Taxes	\$0	\$16,364	\$651,499	\$1,190,266	\$1,150,581
Avail. for Distrib. to Shareholders	\$0	\$22,140	\$881,440	\$1,610,359	\$1,556,669

## ***PHASE II***

The following Summary shows the Gross Income projected for Phase II and the resulting EBIT, Charitable Contributions, Taxes, and Funds Available for Distribution to Shareholders:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Gross Income	\$337,500	\$3,431,875	\$18,800,000	\$46,525,000	\$92,225,000
EBIT	(\$1,787,228)	(\$1,261,137)	\$6,063,343	\$25,138,153	\$56,888,353
Charitable Contributions	\$0	\$127	\$606,334	\$2,513,815	\$5,688,835
State & Federal Income Taxes	\$0	\$486	\$2,319,229	\$9,615,343	\$21,759,795
Avail. for Distrib. to Shareholders	\$0	\$657	\$3,137,780	\$13,008,994	\$29,439,723

## ***CONCLUSION***

The combination of a deep and talented team utilizing existing technologies with preferred partners and \_\_\_\_\_ would position the Company at the forefront of a new paradigm in \_\_\_\_\_. Without a reliance on large marketing and back office budgets and costs like most companies entering existing markets with new products, risks to investors are lessened and returns on capital investments are magnified.

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