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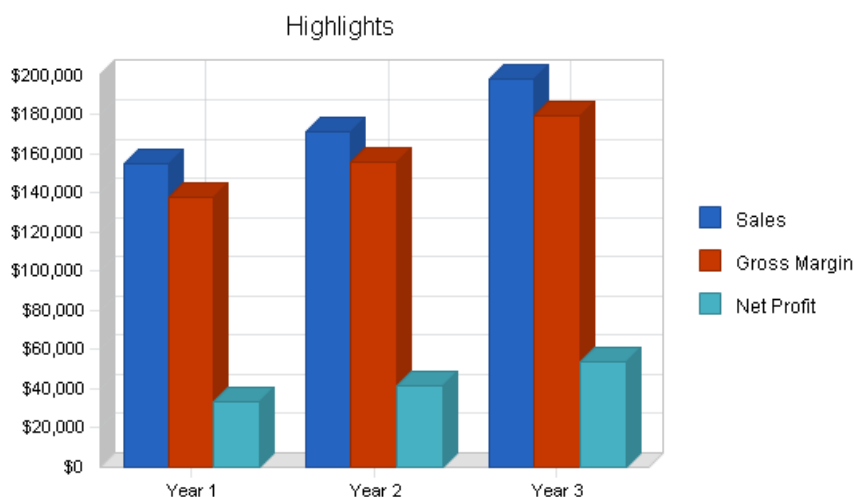
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## Executive Summary

This business plan outlines the strategy for sales of divert software packages to small, medium-sized, and large companies and franchises. Resellers, Value-Added Resellers (VARs), B2B E-Marketplaces, Original Equipment Manufacturers (OEMs), Third Party Developers, Distributors, Dealers, Agents, Integrators & Affiliates, Blogs & Forums, On Line IT Stores, Software Publishers, Ads by Search Engines, and Web Hosting Services will act as the direct and indirect sales arm of software manufacturing firms based in Armenia. We expect a high degree of profitability based on our plan to key in on businesses that have already expressed the need for such products to the software manufacturers. Our management expertise in dealing with corporate decision makers and our partners' reputation will be the cornerstone of our success.



## **1.1 Objectives**

- Market software packages to corporate world and achieve \$60K in profit in year one.
- Customize the software to the individual needs of each client.
- Provide consulting, training and follow-up service to each client.

## **1.2 Mission**

We comprehend that information is vital for management and presenting that information in an efficient and easily understood framework is crucial. Also, not every business manager requires similar tools; what works for a service based company might be useless for a manufacturer. That's why we will market proven software packages which we will customize to the client's individual needs. Although we recognize the intimate relationship between profitability and quality products, we know that our success is ultimately dependent on the well-being of our employees.

## **1.3 Keys to Success**

The success of our company is dependent on our ability to:

- Anticipate clients' needs.
- Adapt software solutions to these needs.
- Identify industries/corporations that need professional support.

## **Company Summary**

In conjunction with our partners' professionalism we guarantee right solution.

### **2.1 Start-up Summary**

- Start-up expenses, which cover legal part (including services), expensed equipment, phone (including calls), internet, office furniture & stationery, tech-equipment, letterhead and business cards, etc., come to \$1500. We also need \$8500 of cash on hand for two employees' salaries of 5 months, b2b marketplace subscription fees, rent and further generated expenses. These costs will either be financed by owner investment or through financing from the financial institutions, entrepreneurs, individuals or investment groups. Details and assumptions are summarized in the following table.

## Start-up

### Requirements

#### Start-up Expenses

Legal	\$300
Office Furniture & Stationery etc.	\$700
Brochures	\$250
Consultants	\$250
Insurance	\$0
Research and development	\$0
Other	\$0
Total Start-up Expenses	\$1500

## Start-up Assets

### Cash required

Phone & Internet for 5 months	\$8500
B2B Marketplace Subscription fees	\$250
Payroll of two employees for 5 months	\$1000
Rent for 5 months	\$4500
Two laptops	\$1000
Other	\$1500
	\$ 250

Other Current Assets	\$0
Long-term Assets	\$0
Total Assets	\$8500

Total Requirements	\$10000
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### **Start-up Funding**

Start-up Expenses to Fund	\$1500
Start-up Assets to Fund	\$8500
Total Funding Required	\$10000

## Assets

Non-cash Assets from Start-up	\$0
Cash Requirements from Start-up	\$8500
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$0
Total Assets	\$8500

## Liabilities and Capital

## Liabilities

Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0

## Capital

Investors combined	\$10000
Additional Investment Requirement	\$0

Total Planned Investment	\$10000
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	(\$1500)
Loss at Start-up (Start-up Expenses)	

Total Capital	\$10000
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Total Capital and Liabilities	\$8500
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Total Funding	\$10000
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## **2.2 Company Locations and Facilities**

- The company will be located in city Yerevan, capital of Republic of Armenia. This location is ideal, as it is a gate to Middle East and Russian Federation.

### **Products and Services**

- We will provide small, medium- and large-sized companies with enterprise-wide collaborative solutions. We will also provide consulting services by helping companies recognize opportunities for using technology to streamline their business processes. Finally, we will provide complete training for the use of solutions purchased from us.

## **3.1 Product and Service Description**

### **Software**

Products consist of mainly enterprise software packages that will allow corporate sales forces and franchises to use tools to achieve tremendous efficiencies in their business processes. Our company will be specialized on software applications sales through our partners' outstanding platforms.

## **Market Analysis Summary**

We operate in the business-to-business segment of e-commerce which recent research estimates transactions in excess of \$160 billion ([www.e-commerceguide.com](http://www.e-commerceguide.com)). Our market is further segmented into companies with sales forces greater than 100 people and companies with branches, divisions or franchises in excess of 100 units.

## 4.1 Market Segmentation

- We segment our market by size of sales force and number of company subunits. Our target customers will have sales operations in excess of 100 direct sales representatives or more than 100 organizational subdivisions or franchises. We will focus on U.S. companies in the Pacific Northwest, United Kingdom, Canada, Australia, France, Spain, Germany, and Netherlands. Details and assumptions are summarized in the following charts and tables:



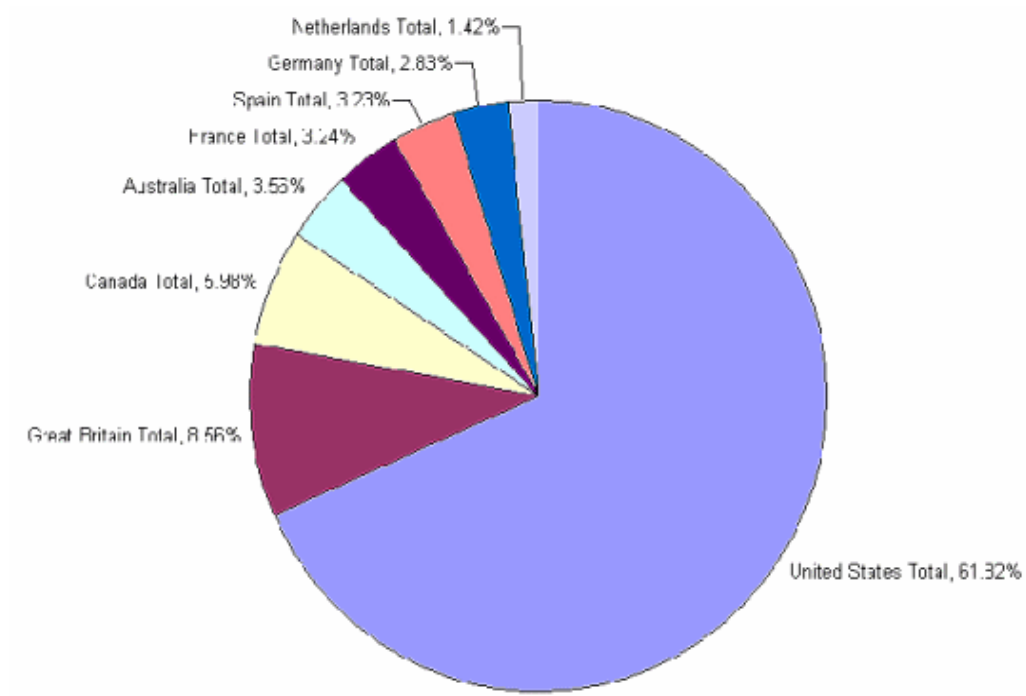
### International Software Sales Statistics (based on Shareware)

#### Software Sales in the International Market

The following aggregate data shows where sales originate. The US accounts for 60% of software sold. The top 8 countries account for nearly 91% of all software sold!

Country	Percentage of Sales
United States	61.82%
United Kingdom	8.56%
Canada	5.98%
Australia	3.56%
France	3.24%
Spain	3.23%
Germany	2.83%
Netherlands	1.42%

#### International Sales



**International Sales Trends** / 91% of all sales are from the top eight countries.

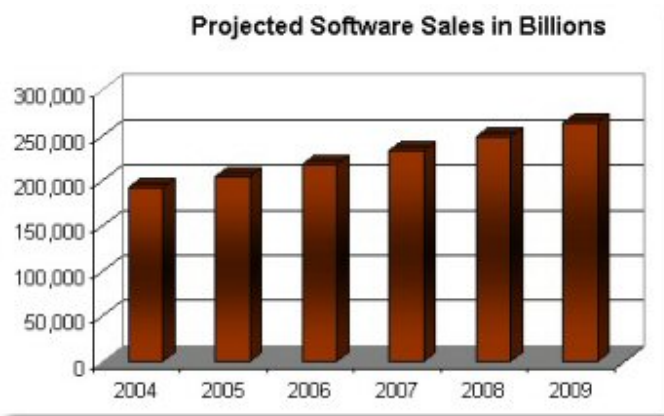


## Projected Software Sales - Percentage of ESD

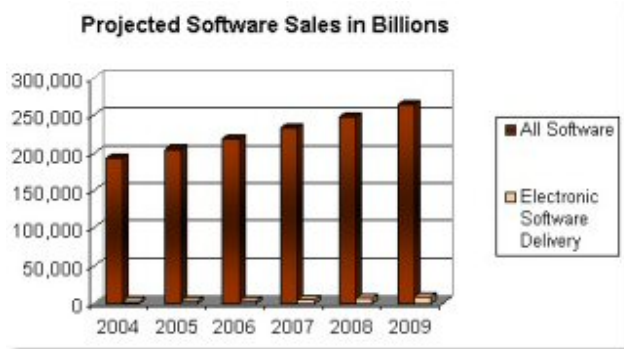
The following is a statistical breakdown of projected and actual software sales from 2004-2009. The data details that electronic software delivery is a very small percentage of overall sales.

	2004	2005	2006	2007	2008	2009
<b>All Software</b>	192,356	204,873	218,645	233,281	248,078	263,447
<b>ESD (Electronic Software Delivery)</b>	19.81%	19.81%	19.81%	19.81%	19.81%	19.81%

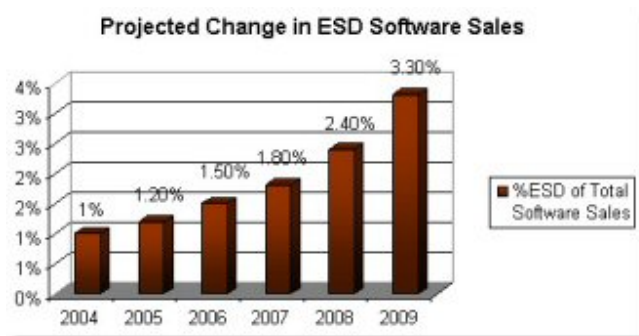
The graphs show the percentage of software sales that through the year 2009. Electronic software delivery is the fastest growing segment but still only represents 3 percent of the market.



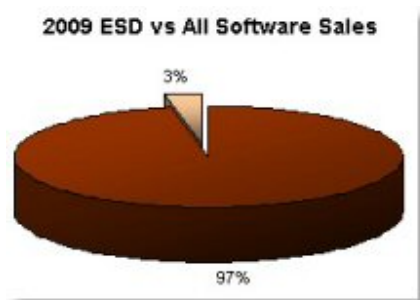
**Total actual and projected software sales in billions.**



**ESD make up only a fraction of total software sales growing to only 3% in 2009.**



**% of ESD sales.**



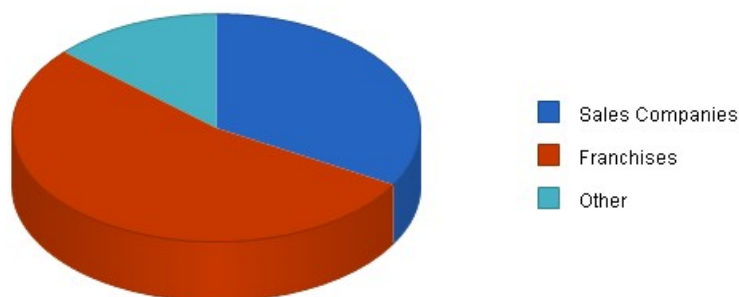
**ESD is still a very small piece of the pie in 2009**

### **Projected Software Sales Trends**

- Software remains a huge market at \$ 263 billion by 2009
- ESD is growing at a faster rate than retail boxed software sales
- ESD will see a 34% growth by 2009.

Geographically this makes sense as our office management has established key contacts in each of these areas. Exact figures for the number of businesses are hard to determine, however, the lean structure of our company will allow us to be profitable by generating two to three new clients per year.

Market Analysis (Pie)



## Market Analysis

		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Sales Companies	3%	500	515	530	546	562	2.97%
Franchises	2%	800	812	824	836	849	1.50%
Other	5%	200	210	221	232	244	5.10%
Total	2.49%	1,500	1,537	1,575	1,614	1,655	2.49%

## **4.2 Target Market Segment Strategy**

Our strategy is designed to target:

- Medium- to large-size organizations whose sales forces provide their clients with proposals and plans that the client either collaborates on, or would benefit from collaboration.
- Companies that sell franchise rights and take an active role in the success of their franchises.
- Larger clients that will provide greater revenues through a larger volume of software licensing sales and greater chance of selling client interface solution.

### **4.2.1 Market Trends**

The most significant trend affecting our company is the growth of business-to-business e-commerce. More and more firms recognize the need to take advantage of the exchange of information over the Internet and our products and services rely on this.

### **4.2.2 Market Growth**

The fastest growing segment of the e-commerce industry is the business-to-business sector. This segment has gone from less than \$50 billion to more than \$160 billion in three years.

### **4.2.3 Market Needs**

Speed, efficiency and information:

- Our service will allow the client to make better and faster business decisions and receive quicker feedback from their end-customer.
- Managers will have the ability to monitor the progress and profitability of their staff.

### **4.3 Service Business Analysis**

Customers tend to buy enterprise software solutions, and other packages based on reputation, price and reliability. Our offered products will be compatible with their price and reliability.

#### **4.3.1 Business Participants**

Within 20 days we have engaged in signed agreements with several outstanding companies, and day by day we receive partnership offers from various organizations. (See attached signed agreements). Currently we affiliate with 26 countries, they are: Ukraine, Taiwan, Venezuela, Australia, USA, Romania, China, Canada, Cuba, Malaysia, Belgium, Belarus, Bangladesh, Ireland, United Kingdom, Iceland, Russia, Cyprus, Vietnam, Greece, Indonesia, India, Lebanon, France, Sweden, Saudi Arabia.

## **Strategy and Implementation Summary**

### **5.1 Competitive Edge**

Our greatest strength and competitive edge is the reputation and success of our international partners. They are the market leaders in sales and consumer ratings. Our success will rely upon building on those strengths. We will also rely on our experience working with decision makers at the corporate level.

### **5.2 Marketing Strategy**

We will position our partners as the best consultants for large corporations interested in our offer. This segment's reputation is already established, so we need to focus on research and development related to new designs and new technology, choosing the right channels of distribution, and communicating our quality position to the market. Our strategy emphasizes focus on new design programs, new equipment to keep up with design, channel development, channel marketing programs, our direct sales, and our continued presence in high-end catalog channels and new presence in the Market.

### **5.3 Sales Strategy**

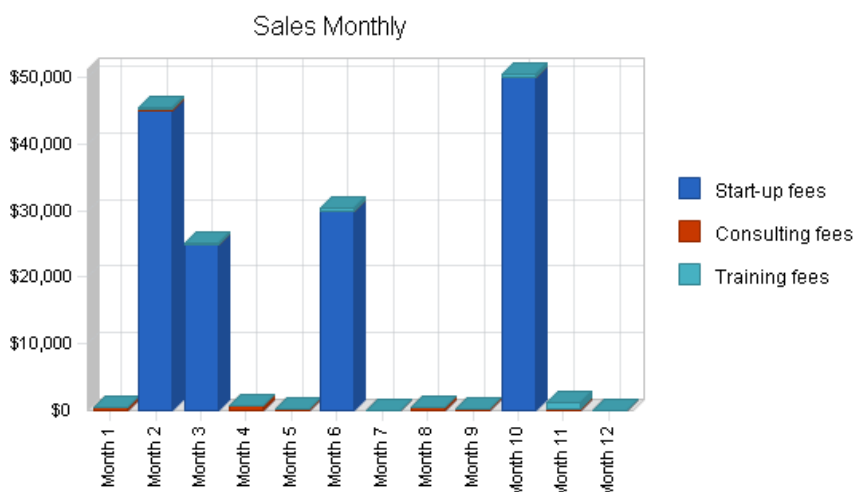
We will first target the corporate offices of franchises with more than 100 units, and companies with sales forces in excess of 100 personnel. Our partners have already provided the names and contact information for several firms which fit this profile. These firms have approached the software manufacturer about enterprise solutions in the past. Our partners have also provided a list of larger businesses that purchased various software products. We will contact these firms with the idea of helping them take this tool to the next level.

Our management, which is CIT LLC at this point, has business contacts at the decision maker level for several more prospects as well. These will be our secondary targets.

Tertiary targets will come from lists of firms fitting the above criteria which management has generated through Web-based market research efforts. Tactics for approaching these prospects will be indirect, i.e., we will contact sales managers and/or franchisees to establish whether the firm fits our profile and then probe for upper or middle level management contact information. We will attempt to establish a face-to-face meeting with decision makers, where we will present a proposal tailored to their needs. Software Reseller Organizations (SROs) have organized an Affiliate Summit West and encourages us to attend it, taking place in Las Vegas, NV on January 9-11, 2011. This three-day conference will provide educational sessions covering the latest trends and information from affiliate marketing experts and is a great opportunity to meet various software developing companies' executive staff for further relationship.

## 5.4 Sales Forecast

Our sales consist of two services—consulting/training/commission, and two products-management software packages (called start-up sales). Our services provide a fraction of the revenue we will receive for the management software packages solution, but they will sustain our cash flow needs while we develop the enterprise sales. Sales of consulting/training/commissions are predicted to grow at 30%, 20% and 10% respectively. Costs associated with these sales are estimated at 10% for start-up sales, 40% for consulting/training fees and 50% for commission. We expect these costs to decrease two, five, and ten percentage points respectively in years two and three.



## **Sales Forecast**

	Year 1	Year 2	Year 3
Sales			
Start-up fees	\$150,000	\$165,000	\$189,750
Consulting fees	\$2,400	\$3,120	\$4,368
Training fees	\$2,550	\$3,060	\$3,978
Total Sales	\$154,950	\$171,180	\$198,096

Direct Cost of Sales	Year 1	Year 2	Year 3
Start-up fees	\$15,000	\$13,200	\$15,180
Consulting fees	\$960	\$1,092	\$1,529
Training fees	\$1,275	\$1,224	\$1,591
Subtotal Direct Cost of Sales	\$17,235	\$15,516	\$18,300