

inTouch

The Future Of Music

Brian Smith

Freshman at the University of South Carolina

(484) – 678 – 8436

SmithBD8@email.sc.edu

BrianDSmith121@gmail.com



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1.0 Executive Summary

InTouch is the most advanced music service in the industry, giving its users the most complete and individualized music experience available in the digital music scene today. InTouch will provide each user with multiple music services, such as music notification and recommendations, Internet Radio, access to an extensive music library, and opportunities to discover new music. Each user's personally selected list of favorite artists will drive algorithms for music selection and be the source of InTouch's services. Unlike any other music services in the world today, InTouch will provide music consumers worldwide one simple destination to fulfill all of their individual music needs.

InTouch has it all, and by meeting every music consumer's expectations with an individualized, full-scale service InTouch, will take advantage of the current dysfunctional and fragmented state of the digital media industry. The industry is extremely decentralized, with thousands of available sources to listen, buy, and discover new music. InTouch plans to redefine the structure of digital music services. Creating a single location for music consumers, of all genres, to find all of their music needs, InTouch will grow its market share in the digital media industry. InTouch will assemble a substantial user base, and in turn sell ad space to businesses as it's primary source of revenue. InTouch will have demographic and personal music preference statistics of its users; therefore, giving businesses the opportunity to select a precise audience to see their ad. InTouch will sell banner ads, sidebar ads, pop-up ads, email ads, and streaming music ads.

In order to build the initial base of users, InTouch will utilize several popular channels to advertise to the pre-defined target market. Facebook, Google and other social media outlets advertisements will help InTouch reach its desired market and increase InTouch's web traffic and number of users. Promotional efforts will also be focused upon our target market of users in order to increase referral business and further increase InTouch's user base.

InTouch is seeking investment to fund its startup. Investors will be given ownership rights and involvement in executive company decisions. A \$313,050 start-up investment may result in unique and profitable return opportunities. InTouch will ideally begin operations in January 2013, but it may take as long as July 2013 to develop all required technology in such a condensed timeframe. The development of a working operational system, database development, web design, technology consulting, content acquisition, etc, will be necessary before InTouch starts operations. In 2013, InTouch projects a net loss of \$44,000. While this may seem detrimental, it is necessary to build an efficient internal system and promote InTouch's service to a market of teenagers and adults. By posting losses in year one, InTouch will develop a firm base from which the subsequent years will see significant profits. Based on projections by 2017, InTouch's will exceed profits of \$13 million and have 54 full-time employees.

InTouch also plans to implement additional long-term objectives including the integration of social media and the internationalization of its services. By incorporating social media characteristics into InTouch, allowing users to become fully engaged with their music and also interact with other music consumers, the company will expand into more than just a music site. It will be a place to share your thoughts on the latest music releases or breaking news within the industry, a place to articulate your opinion with music through InTouch's interactive ratings system, and a place to find friends you already know and other music fans with similar musical interests and opinions as your own. The power of social media is obvious and the lack of a prominent music-based social media service presents InTouch an opportunity to develop it; subsequently, resulting in a significant growth of InTouch users. In addition to social media development, InTouch seeks to develop an effective international service, which many current music service businesses have failed to do. The internationalization of InTouch would result in a substantial increase in users, advertisers, income, and additional opportunities.

The overall success of InTouch goes far beyond financial achievements. Although meeting financial goals is very important, changing the landscape of the digital music industry is equally, if not more important. InTouch aims to simplify the cluttered and confusing process of finding, listening, and buying, by giving music consumers one simple destination to effectively satisfy all of their music needs. InTouch will deliver, to a worldwide population exceeding 500 million music consumers, what no company has yet to deliver; an all-inclusive one-stop-shop with a specific emphasis on personalized, simple, interactive experience geared towards each individual's specific needs. By delivering this exclusive service and allocating resources towards the development of innovative digital technology, InTouch will ensure its financial success and longevity as a dominant service within the digital media industry.

1.1 Mission

InTouch will serve as the primary portal for a majority of all digital music consumption, providing consumers a user-friendly site to research, find, test, and purchase their music personal selections through the multitude of accommodating, individualized music services. Additionally InTouch will provide a market opportunity for new artists to expand their fan base.

2.0 Company Summary

InTouch's primary business concept is to provide consumers with the most interactive, all-inclusive music downloading service in the world, all the while maintaining a simple, user-friendly interface to drive web traffic as high as possible. In turn, we will provide companies across the globe with an extraordinary opportunity to advertise to a precise target market. InTouch will supply its users with the most popular music services all in one place, eliminating the need to use multiple sources to listen, download, and discover new music. InTouch will provide its user music notification service, sending updates to users when their favorite artists release new music. Additionally, InTouch will develop a database housing the discographies of the world's most popular, most downloaded artists where users can listen to their favorite music and be directed to the most appropriate download source. InTouch will also provide an Streaming Music Service, similar to Pandora Radio, where users can listen to a random playlist comprised of music from their favorite artists and artists similar to their favorite artists. By combining all the most popular digital music services into one user-friendly interface, InTouch will redefine the cluttered digital media industry, emerging as an industry leader through innovative strategies and critical technological advances.

2.1 Startup Plan

InTouch is seeking an investment to cover its startup costs and operational losses through 2 years of business, at which point the company will generate enough income to exist as self-perpetuating enterprise. Because investors will be given partial ownership, the company would ideally take a payment in full by one individual to fund the company's start-up phase. A significant portion of investment funding will be used to cover the following start-up costs.

Content Acquisition Expense - This is the cost for InTouch to purchase the music that will be used in the database. \$60,000 is budgeted towards content acquisition, purchasing an average of 5 albums from 1000 artists at \$12 per album.

Database Development Expense - This is the expense for creating InTouch's music database. The InTouch database is the heart of the business's function; therefore, adequate funding must be allocated. Database developers charge around \$150 an hour. 200 man-hours to develop the database are accounted for in the startup budget. This would include search feature and notification services, along with ability for artists to upload their own music for potential distribution. Additionally, provisions for integration

between user profiles and music preferences with content both inventoried and indexed via search engines.

Infrastructure Expense – A cloud-based system will provide a scalable infrastructure that can be made available on demand and does not require significant upfront capital investment for hardware and computer expertise. It seems certain that the future of technology is "in the cloud". InTouch will budget for cloud based IT infrastructure to develop a central location for its service.

Legal Expense - Several important legal fees will be incurred including an ownership agreement, partnership agreements, non-disclosure agreements, privacy agreements, and InTouch's terms of use. In addition to these documents, InTouch will attempt to patent its concept protecting its intellectual property.

Supplies (Technology) Expense - This expense includes the necessary equipment to develop an internal virtual organization to keep InTouch employees in close contact purchasing real estate. This includes cloud-based services providing virtual meetings, conference calls, and access across the board to InTouch's infrastructure.

Web Design Expense - This is the fee for hiring web developers to design InTouch's webpage in accordance with the company's key differentiators (i.e. simple interactive user interface). College students, studying web design, will be employed to design InTouch's webpage because they will be aware of current web trends and charge a lower fee because they do not have degree.

Other Expenses - These expenses include an initial insurance payment and payment for a domain name.

** See 8.0.1 Startup Table **

2.2 Ownership and Investment Summary

InTouch's founder is Brian D. Smith. He is nineteen years old and attending college on a scholarship. He cannot contribute financially, but will contribute his leadership and entrepreneurial skills. Therefore, InTouch is seeking an investment of \$313,050 to fund the launch of the company, in addition to the operating expenses for two years at which time the company will have achieved cash breakeven from operations. Investors with startup IT experience or entrepreneurial business experience within the music industry will be given preference. InTouch will operate as a private partnership between investor(s) and myself. Investors will invest with preferred return status on initial contributions and a flat ownership percentage with no granted option to expand ownership over time. Further ownership details will be discussed privately with potential investors.

3.0 Services

InTouch will offer music consumers of every genre a personalized music downloading experience by developing and maintaining a music database, helping each consumer find new music choices based on their musical preferences, and notifying each consumer when their favorite artists release new music. InTouch will link each of its users with their personal music downloading database, for example iTunes, further personalizing our service. InTouch will also develop InTouch Internet Radio Station, called the SmartStream Playlist, within its database. Functioning similarly to Pandora Internet Radio, InTouch will prompt users to select a list of their favorite artists and a develop playlists of the selected artists along with other similar artists. The SmartStream feature will further enable the InTouch users to discover new music. "Young Talent" artists will be featured heavily in SmartStream Playlists, which will increase the exposure of these up-and-coming artists [for more information see 3.1 Service Description].

3.1 Service Description

It is important to recognize all parties involved within InTouch's services plan and leverage the value each group to the success of the company. Each of the following groups will be analyzed this way.

Music Consumers – These are the company's users and the most important segment of InTouch's service. Several key functions must be executed to satisfy this cluster. The development of an in-depth music database is the first step. Users will expect to be able to find music that has already been released. Discographies of the 250 most popular artists in each of the four major music genres will be accumulated to start this database and additional funding required on an on-going cash-basis. Additionally, InTouch's music notification service will be crucial in ensuring the longevity of its users' subscriptions. Finally, the development of an interactive system, within InTouch's database, matching users with unknown music based on the individual's other music preferences will assist users to find new music choices. Keeping music consumers satisfied is vital to the success of the other branches shown below and the overall success of the company.

Businesses Advertising through InTouch – These companies will be the source of revenue for the company. A bidding process, similar to that of Facebook, will be utilized to maximize the business driven to the companies using InTouch to advertise their products/services. InTouch will have access to demographic information, in addition to the musical preferences, of each of its users. Businesses using InTouch as an advertising channel will have the opportunity to pinpoint their target market this way. Feedback will be provided to help businesses revise their ad campaigns, thus generating competition within InTouch's advertising channel.

Commercially Unknown Musicians – These are talented artists of all genres, who are relatively unknown. Musicians will be able to submit their work to InTouch. The best up-and-coming artists will be featured on the "Young Talent" page, which will give these artists exposure to music consumers and contacts within the music industry, including record labels, music recording companies, production companies, etc. Adding this portion into InTouch's service plan will promote goodwill and potentially build music industry connections and networking opportunities

SmartStream Users – These are the users of InTouch's SmartStream Playlists. Each user's personal music preferences will be accounted for when creating these individual playlists. "Young Talent" artists will also be featured in SmartStream Playlists.

4.0 Market Analysis Summary

Music consumption has gone through an incredible transition in the past decade. Although concrete music sales [i.e. CDs] are decreasing at an accelerating rate, music consumption on the whole is at an all-time high due to the digital music sensation. This digital downloading trend presents a distinct opportunity to fuse the extremely decentralized system into one, single service. InTouch will unify the digital music market by providing consumers an all-inclusive, incredibly personal music experience. The following segments are involved with the InTouch's operations.

The Free Music Consumer - This consumer does not pay for their music, however they do provide momentum for many up-and-coming artists. Most members of this segment download music illegally, through torrent downloading and p2p file sharing, but InTouch will focus only on those downloading free music legally. This segment has seen significant growth over the past 2 years, and as more methods of downloading legal, free music develop it will continue to grow. These consumers typically range from 13 to 24 in age. Hip-Hop and R&B are the two music genres with the most channels of free, legal downloads; therefore, this is where InTouch will focus its attention. The company will focus its marketing towards large urban areas where this music is most popular, such as Atlanta, GA; Houston, TX; and New York, NY.

The Commercial Music Consumer - This is your typical digital music consumer who downloads their music from iTunes, Amazon, Napster, Rhapsody, or Zune Music. This is the largest

of the market segment with an estimated 480,000,000 people. There are over 120,000,000 user accounts on iTunes alone. The enormity of this segment perpetuates a diverse demographic range. Most of them are between the ages of 13-30. There is also a significant market of older men and women ranging between 30-55 years old. Various social media outlets will be our focus to reach this segment

The Up-And-Coming Musicians - These are the consumers looking to gain exposure through InTouch. Home recording has never been easier with programs such as GarageBand and Audacity. This segment has grown annually over the past decade and will continue to grow as methods of recording and sharing music become simpler. These young artists are generally tech-savvy teens and young adults ranging in age from 16-24.

The Advertising Customer - These are InTouch's customers and source of income. Internet advertising is common in small businesses and large corporations alike. Tracking feedback, measuring the effectiveness of a company's ad campaign, will help businesses to maximize their advertising budget. InTouch will allow companies to select a target audience based on demographics and music preferences. Companies within any industry could advertise through InTouch, but companies within the music industry will most likely be the number one segment in terms of advertising sales for InTouch.

SmartStream User - The individuals in the segment use services, such as Pandora, for leisure and also to discover new music. They listen to music while doing homework, working, or exercising. They specifically enjoy finding unfamiliar music and the free service Streaming Music Stations provide. They are generally between the ages of 13-24. Interestingly, almost all Streaming Music users are in the United States. Expansive music markets in Europe, Australia, and Japan offer an opportunity to transition InTouch into the global marketplace.

**** See 8.0.2 Market Analysis Table ****

4.1 Target Market Segment Strategy

When analyzing the previously defined market segments, several important things became apparent. First, the single most important target market InTouch must recognize and focus advertising, promotional, and marketing efforts towards is the young, tech-savvy generation of teenagers and young adults. It makes sense that this group, who grew up in the age of the iPod, is the ideal market for the cutting-edge music service InTouch will provide. InTouch will strategically pinpoint this age group, 16-24 years old, within our ad campaigns on Facebook and Google.

While the ideal age for InTouch's marketing efforts is fairly straightforward, identifying ways to further specify the target market without overly restricting the audience is significantly more difficult. The music consumption market is nearly infinite and equally diverse. An advertising plan has been developed that expands on the pre-identified age bracket, and meets the needs of reaching a large, complex market. Facebook allows advertisers to refine an audience based upon musical preferences. Multiple ad campaigns will be placed, each geared towards a different target audience based on the music genre they like. Demographic averages for the fan base of each genre will be utilized to ensure the message reaches the ideal audience. The efficiency of each ad will be reviewed weekly by analyzing feedback. Revisions will be made accordingly in order to maximize the value of InTouch's advertising budget.

4.2 Competitive Analysis

In simple terms, no database, webpage, or downloading source has the full-scale music service that InTouch will provide. Other businesses, actually a lot of them, utilize parts of the InTouch service, but only InTouch gives consumers the full-package in one location and this, along with our personalized service, gives InTouch a unique competitive advantage. Competition for each of

InTouch's individual services will be reviewed and analyzed; focusing on strengths and weaknesses, in order to ensure InTouch will effectively develop and maintain this competitive advantage. Competitors within each of InTouch's five services are analyzed individually below.

1. Music Notification Service

Music2Mail – Currently, Music2Mail is the most popular music notification service available. It is not interactive enough with its subscribers. Artists can be selected and notifications upon new releases will be sent only via email. Restricting notifications to email is a poor business decision, especially with growing trends in social media and the widespread use of smart phones. InTouch will integrate its services into such popular social media sites as Facebook and Twitter.

iScower – This company has yet to commence operations. It is scheduled to launch at the beginning 2012. iScower has a well-designed webpage, but they have done very little promotion. Their Twitter page has only 8 followers. iScower has no information on the specifics of their notification system available; therefore, it is difficult to measure the technological strengths and weakness of the company. InTouch will continue to monitor iScower's progress frequently starting in 2012.

2. Streaming Music Service: SmartStream Playlists

Pandora Radio – Pandora Radio has 80 million subscribers and has generated of \$90.1 million in revenue during the first 3 quarters of 2011. The numbers look good on paper, but in the same 9 month fiscal period, Pandora actually posted a loss of 0.3 million. Anyone who has ever taken an accounting course could tell you the problem; they spend too much and don't make enough. Because Pandora has such a large library of music, they spend over half of their budget on content acquisition. Pandora plays ads while users are listening to the music, but they play less than 1 minute of ads every hour of music. Increasing ad time would significantly increase advertising revenue, which makes up 86.4% of Pandora's income. Lastly, Pandora is only accessible to Americans, restricting themselves from a worldwide market.

Spotify – This service is a streaming digital music service. It is not exactly an Internet Radio station, but has gained much popularity in the past year. Spotify partnered with Facebook making registering/logging-in very simple. Spotify provides its users with access to millions of songs and has some cutting-edge artificial intelligence technology which gives users dynamic playlists and helps them find new music. Despite Spotify's apparent success, in 2010 they suffered \$42 million in losses, their second successive year posting losses. Their technology development and software integration expenses are outweighing their revenue stream. They, like Pandora, are not available worldwide; only in the U.S., Spain, and the UK. That being said, the future is bright for Spotify because of the innovative streaming service they have developed, along with recent jump in their number of users.

3. Music Database Service

iTunes – Apple has developed an incredibly complex database, while maintaining a user-friendly, ultra compatible user interface. iTunes is perhaps the most powerful music-downloading database in existence. With over 120,000,000 user accounts, Apple could add a large chunk of revenue by allowing companies to advertise on iTunes. Instead, they choose not to compromise iTunes' integrity. This is wise choice, but InTouch doesn't have the burden of a billion dollar corporation connected directly with its music database. For this reason, along with the fact that InTouch users don't actually purchase music from its database, the company will feature advertisements on its music database. Though Apple has the most extensive music library in the world, they have also been criticized for stumbling on an international basis due to non-competitive practices. The long-term internationalization of InTouch's service could present a unique opportunity for InTouch to capture a large market share of the global digital media industry.

4. Unknown Artist Promotion Service

SoundClick – SoundClick is a web-based database that allows artists to upload their music to gain exposure. Their webpage is cluttered and boring. Some artists, though not many, have had success using SoundClick. They are primarily Hip-Hop producers that have been able to sell their beats to other artists. Overall, SoundClick lacks a user-friendly interface and has not allocated enough resources towards web design and technological advances.

5. Internet Advertising Service

Facebook – Facebook is the single most powerful advertising channel in operation today. Over 21,000 companies advertise on Facebook. In the first half of 2011 alone, Facebook generated \$1.6 billion in revenue with a net income of over \$500 million. The primary reason for Facebook's advertising sales success, besides their 800 million active users, is the ability for advertisers to pinpoint a specific market for their ads. Demographics of a target audience can be selected to maximize the advertisers' return on investment. Additionally, Facebook provides feedback on how well their ads were received. Businesses can then refine and refocus their ads to maximize results per advertising dollar.

4.3 SWOT Analysis

Strengths:

- The exclusivity of the service InTouch offers. No company provides its users with all five of the individualized services InTouch gives its users.
- No competitors offer as comprehensive, interactive, and personalized music notification system.
- InTouch will develop a simple Streaming Music service, which will drive up web traffic, while keeping costs relatively low compare to other similar services such as Pandora
- The Artist Promotion service will give young, talented artist exposure. This will give incentive for music industry employees to visit InTouch, while promoting goodwill and building networking opportunities. The cost to operate this service is minimal.
- By avoiding the sale of music, InTouch avoids a complex function it cannot currently handle and does not risk comprising integrity by selling ad space.
- Internet advertising is extremely popular. By giving companies the ability to select a precise audience for their ads, based on demographics and music preferences, selling ad space should not be difficult.

Weaknesses:

- Current lack of resources. InTouch's founder is currently an 18 year old freshman at the University of South Carolina. He currently has few connections and resources within the industry. A special emphasis on networking and cross-promotion with established businesses will be utilized to help mitigate this weakness.
- Lack of Funding - As previously stated, funding is necessary to start InTouch. An investment of \$313,050 will complete the necessary operations to launch the company and function for 2 years.
- Lack of users - Consumers do not know about InTouch. Several ad campaigns and promotional efforts will be implemented to bring attention to InTouch. Referral business will be an important facet of business [see 5.1 Market Strategy and 5.1.2 Promotion Strategy for more information].
- Lack of Management – Technology consulting will be the short-term solution to this problem. According to projections, an IT manager with at least 10 years of experience will be hired in July 2013.

Opportunities:

- The disorganization of the digital music industry is extremely opportunistic for InTouch, a company attempting to centralize the system.
- The digital music industry is booming.
- Web designers are readily available for hire to create a visually appealing, user-friendly webpage.

- Many advertising channels, specifically social media and search engine advertising, exist to market InTouch's services to the pre-identified target markets.
- Trends within digital media change regularly; therefore, by staying ahead of the curve InTouch can become an innovative trailblazer in this fragmented industry by developing technology to deliver music in the most personal, interactive way possible.
- Cloud based computing will completely change the landscape of technology, including digital media, over the next decade. By becoming cloud-compatible from the beginning and allocating resources to the development of new technological advances, InTouch can ensure its longevity.

Threats:

- The iScower program could potentially be creating a similar music notification system to the one InTouch is developing.
- Because the digital music industry changes so often, competitors could develop a new trend surpassing our own service.
- Although cloud computing creates an opportunity for InTouch to develop and integrate our services into the cloud, it also presents the threat that InTouch could be left behind if the company does not develop technologically as quickly as competition.
- A big-budget corporation could potentially take InTouch's idea. Minimal funding will force the company to operate with low startup costs. Subsequently, the growth of the business will take longer. A corporation backed by a big budget could develop a similar system quicker and market it to an established market.

4.4 Competitive Advantage

InTouch has the potential to become a giant in the field of digital media because of the company's unique function. The company will function as a middleman to connect consumers and artists. With little music notification competition, InTouch will emerge as the top music notification service in the world. Along with music notification, users will also have access to a vast music database and a free Streaming Music service via SmartStream Playlists. InTouch will integrate each users' personal preference into each of these services, thus fully satisfying the customer. InTouch will also develop a system to match its users with new music they may like by linking artists with similar qualities within the company's internal database structure.

Talented, relatively unknown, musicians will have the opportunity to submit their music to InTouch. Subsequently, InTouch will post the best submissions on a featured page, where the artists will gain publicity and feedback from consumers based upon a rating system. Employees within the music industry, always looking out for the next big thing, will be able to find new artists they would have otherwise never discovered. By providing music consumers, artists, and industry employees all with a personal incentive to subscribe and regularly check InTouch, a high level of web traffic will be generated.

Advertisement space, via banner ads, side bar ads, pop up ads, streaming music ads, email ads, and social media ads, will be available for business looking to advertise through InTouch. InTouch will be able to give its paying customers demographic choices, along with music preferences, when selecting an audience for particular ad. As the number of users increases, so will the income.

InTouch will maintain a high level of customer satisfaction, in order to drive up referral business and increase its user base. By using an interactive feedback system, users will be able to rate, critique, and make suggestions for InTouch's service. By carefully reviewing this feedback InTouch will enable the proper alterations to maximize user satisfaction. Additionally, specific resources will be allocated towards technological advances and development ensuring InTouch

stays on the forefront of the digital media industry. InTouch will give each and every music consumer their own personal, fully individualized music experience in one location, which no company has yet to develop. This is InTouch's competitive advantage.

5.0 Strategy and Implementation Summary

This segment of InTouch's plan focuses on business strategies and functional structure. Multiple advertising and promotional channels, targeting the predefined ideal market, will be utilized to raise awareness of InTouch's services. InTouch will focus on breaking into the digital music industry by creating a fully functional database and webpage before advertising and promotional efforts are put into effect. Advertising an undeveloped, or dysfunctional, service is a waste of money and will ensure that the people who see your advertisement will not use your service in the future. A significant portion of InTouch's budget will be spent before the company officially enters into business. These funds will be spent cultivating a practical internal system to effectively serve our users. The remainder of this section will outline InTouch's business tactics and methods of implementing these strategies.

5.1 Marketing Strategy

InTouch's marketing strategy will focus on the company's target market [see 4.0 Market Analysis Summary] and will spawn considerable referral business. Referral business is vital to the company's success because it generates increased web traffic, therefore sales, without spending money advertising or otherwise promoting the business. Referral business is very common within the world of service webpages and databases. Satisfied users will be likely to tell their friends about their discovery of a new useful Internet service and our service will make it easy and advantageous for our users to refer our services. Certain blogs have public web discussions regarding these types of online services. If your company's name comes up on several of these, you can be sure to see an increase of web traffic. Overall, InTouch will work effortlessly to provide each user their own personal music experience. Keeping users satisfied is the most efficient means of increasing referrals.

Networking will be another vital component of InTouch's marketing plan and company executives will place special emphasis on networking with other businesses. Cross promotion and cross advertising will be two facets of business InTouch will attempt to utilize as often as possible, especially during the first 2 years of operation.

Another important function of InTouch's marketing strategy is our advertising plan. Search engine advertising and optimization, along with social media advertising are two effective methods of marketing a message directly to an audience of likely customers. First, search engine advertising is the arguably the best value for advertising a business. Google offers an advertisement service called Google AdWords that InTouch will utilize. Weekly reviews and revisions will be performed to ensure InTouch is maximizing the generation of new users.

Social media is another relatively new channel of advertisement, but because of the limitless amount of social media users worldwide, it is the most powerful way to advertise a new business. Initially, InTouch will focus its social media marketing to Facebook. Facebook offers the most efficient method of reaching InTouch's target market. Ads can be purchased and shown to the demographic market of the advertiser's choice; in our case, teenagers and young adults with specific musical interests. By creating a Facebook fan page for InTouch and linking it to our Facebook ads, potential subscribers could simply "like" our page and gain access to InTouch's company information. The simplicity of this advertising channel will spawn many new users and increased web traffic. Advertisements on other social media networks, such as Twitter, will be implemented after one year of InTouch's existence. By initially concentrating on only one social media network, focus will be maintained and InTouch will not become overwhelmed by the many

different options of social media. Facebook is the safest and most effective of the social media networks for marketing an upstart business.

5.1.1 Positioning Statement

For music consumers worldwide looking for a single location to fulfill all of their music needs, InTouch's individualized music services will satisfy every fan's needs. Unlike any other current music service businesses, InTouch provides its users with a vast music library, new music release notifications, SmartStream Playlists, endless opportunities to discover new music, and convenient, compatible channels of music downloading; all of these services are free and feature InTouch's personalized infrastructure, which will integrate each individual's musical preferences, giving every music fan their own unique music experience.

5.1.2 Promotion Strategy

Promotion will be an important aspect of InTouch's marketing strategy. Teenagers and young adults are the primary market cluster for InTouch's services; therefore the promotion strategy will be geared towards this group. In Year 1 of operations InTouch will have a low promotional budget. Promotional items such as T-Shirts, car magnets/bumper stickers, and rubber bracelets will be purchased and given to high-frequency InTouch users. These items will increase user satisfaction and also generate referrals due to the wide range on potential users that will see these promotional items. The promotional budget increases significantly after Year 1. A small team of InTouch promoters will travel to various college campuses handing out promotional items and flyers explaining InTouch's business concept and services.

As the promotional budget increases further, after Year 2, promotional events will be held to generate business. Promotional events will include guest speeches at universities across the country. InTouch will supply payment for the speaker and other expenses, in order to promote goodwill and advertise InTouch further. Other events may include small concerts or charitable events where InTouch would sponsor an event and donate the proceeds to a local charity.

5.2 Sales Strategy

The structure of sales for InTouch begins by establishing a base of users. By emphasizing referral business and implementing precise advertising campaigns on such popular channels, as search engines and social media sites, InTouch will be able to gain exposure and build a positive reputation; subsequently, accumulating the desired user base. As the number InTouch users increase, so will the company's income through advertising sales.

InTouch will charge businesses to take out advertisements on our webpage. Internet advertising is a thriving industry. Worldwide Internet advertisement revenue in the first half of 2011 reached \$14.9 billion. Social media has revolutionized the way businesses advertise by providing incredible accuracy for pinpointing a target audience for a particular ad campaign. Because InTouch will have access to its users' demographic information along with their music preferences, businesses using InTouch to advertise will be able to narrow a target market using these statistics. This advertising channel will be extremely profitable for companies within the music industry because they can reach potential customers based on the individuals' music interests.

For example, a company such as Beats by Dre, an up-and coming electronics company selling headphones to a target market of hip-hop fans, could use InTouch to advertise their latest product to a market of guaranteed hip-hop fans.

InTouch will offer businesses advertising through its email notification service a unique opportunity to achieve a high level of web traffic at a low cost. InTouch users will open and read the emails the company sends them because they contain updates regarding latest music releases. In contrast to many other email ad services, some of which send emails that simply get filtered by most modern day spam filters, InTouch will ensure that the majority of the ads reach the desired target. Companies advertising through InTouch's email chain will procure an astronomical return-on-investment in comparison to email advertising alternatives due to InTouch's specific users profiles.

InTouch will sell webpage ad space to competing companies, mirroring Facebook's bidding system. InTouch will set a minimum daily advertising budget will be set, but companies can set a maximum bid of their choice. This system creates competition amongst different advertisers and also gives InTouch a cycle of different ads to run on the webpage. Displaying non-cycled ads usually correlates to low advertising sales for the hosting business, in addition to poor ad results for the business that is advertising its products/services. Users will generally not visit the same ad twice. We will provide weekly feedback to our advertisers, so they can gauge the success of their campaigns. InTouch will sell space through side bar ads, pop up ads, banner ads, email ads, streaming music ads, and social media ads.

*** See 8.0.3 Sales Forecast Table***

5.3 Strategic Alliances

InTouch will look to identify various additional consumer markets through cross promotion and cross advertising with established companies, specifically those within the music industry. These companies could include other Internet music service businesses, recording companies, record labels, electronics companies, music consulting companies, etc.

Additionally, InTouch could potentially form a partnership with one of these established companies. InTouch would be prepared to give up as much as 10% ownership to land a deal with the right company. This company must have customer base of over 2 million people within InTouch's target market in order to get such a high ownership percentage. Also, funding of a series of advertising campaigns and the potential for integration between the two companies would be necessary, depending on the circumstances. As previously stated, networking is a vital function for InTouch's successful operation; therefore, any additional business opportunities regarding alliances or partnerships will be thoroughly reviewed as opportunities arise.

5.4 Milestones

InTouch has highlighted the following milestones as challenging, yet realistic, objectives that hold a specific importance to the success and longevity of the company:

1. In the 2015 fiscal year, reach \$1 million in revenue from our email ad service.
2. In the 2016 fiscal year, achieve \$9 million in total annual sales.
3. Hire and employ 3 or more technology developers full-time to focus on the future of digital media, keeping InTouch relevant and profitable as the landscape of technology changes.
4. In 2016 double the number of InTouch users, while reducing advertising budget from 2015. This will signify the tipping point where InTouch will be fully self-perpetuating enterprise, no longer relying on advertisement.
5. Help promote 3 "Young Talent" artists that sign music contracts; whether recording, touring, production or otherwise.
6. Reach 10 million users by January 1st, 2017.

**** See 8.0.4 Milestones Table ****

6.0 Management Summary

This segment of the business plan addresses InTouch's management, along with its personnel structure and plan. First, management is a bit of an issue for InTouch. The founder has no management experience and hiring an experienced tech manager does not fit into the budget during the first 6 months of operations. To rectify this problem InTouch will seek technology consulting during this time to company functioning successfully until a full-time manager is employed (projected July 2013). When this time comes, the ideal manager would be an experienced IT manager working for a corporation for 10-15 years with knowledge of cloud computing, database development, software development and integration, web development and design.

This manager will function as the leader and supervisor of all employees; therefore, he/she must be high-energy and have good communication, organizational, and motivational skills. This manager will report directly to ownership twice a week. The selection process for this position will be vigorous. Because of the importance of this position, nothing less than the perfect candidate will suffice. The contract for this manager will pay him/her \$70,000/year for 2 years. This is well below the going rate for a manager of this caliber, but the contract will offer a 3-year option paying to \$135,000/year along with additional opportunities for advancement.

As the company develops and expands more management positions will become available [see 6.1 Organizational Structure below].

6.1 Organizational Structure

Staffing is a rather complex portion of InTouch's business plan because of the changes staffing will undergo as the company grows. InTouch will compartmentalize its staff into 6 departments, in order to maximize the company's production, while maintaining relatively low staffing costs. There will be a Music Research Department (MR), a Web Design Department (WD), a Database Management Department (DM), an IT Department (IT), a Human Resources Department (HR), and a Technological Development Department (TD).

The **Music Research Department**, once fully developed, will have 6 branches; each corresponding to one of the 6 genres of music InTouch will integrate into their services. These employees must have extensive knowledge their particular music genre, basic Internet research skills, along with basic computer skills. This department will have one manager monitoring the research of each of the six branches. This manager will be responsible for all content acquisition, before it can be added into the database and posted on the webpage.

The **Web Design Department** will be in charge of all web development, maintenance, and updates of InTouch's webpage. The Web Design Department will be comprised of two teams reporting to one manager. One team will be responsible for updating InTouch's webpage daily with the newest releases. The manager will provide these employees with list of music, compiled by the Music Research Department, to be posted daily. The second group will provide webpage maintenance and develop webpage improvements. Web Design employees must have a degree in web design along with knowledge of cloud computing.

The **Database Management Department** will be responsible for the updating, maintenance, and supervision of the database which houses InTouch's music library and its SmartStream feature. An experienced manager will head this department. The Database Management Department will work closely with the Web Design Department to ensure all content is properly integrated into both the webpage and the database.

The **IT Department** will be a small department. Employees will be skilled in troubleshooting and assist all user problems. In the case of recurring issues or internal problems the IT reps will report the problem to the appropriate department.

The **Human Resources Department** will be another small department with a team of two employees. They must have secretarial skills and HR experience. Their job is to identify and address users' problems and transfer the user to the appropriate IT rep help the user.

The **Technological Development Department** will be a small, highly interactive department headed by an experienced manager overseeing a small team of young innovators. This team will work primarily alone, separate from the five other departments. Their job is to identify and effectively incorporate cutting-edge technology into InTouch's service by focusing on trends within the digital music industry. This team must be very creative and only the highest-level thinkers will be given jobs in this department.

***** See 8.0.5 Personnel Organizational Structure (2015)*****

6.2 Personnel Plan

During the first half of Year 1, 2013, all employment will be done on freelance basis, paying hourly for database development, web design, and human resources work. Because funding is relatively low, InTouch will operate without full-time employees for the first 6 months of operation. 4 hours of web design and database development work per week is budgeted. This will allow for weekly updates for InTouch users. Each week InTouch's founder will research music and compile a list of new music and during the weekly 4 hours of web design work and database work, the new content will be integrated into the webpage and database. Starting in July, InTouch will hire its first full-time employees, eliminating the need for freelance work, with the exception of HR work. One employee will be an experienced IT manager [see 6.0 Management Summary]. In addition to this employee, InTouch will hire a database developer and a web designer. InTouch's founder will continue to supply music research and make sure it is integrated into both the webpage and database daily for the remainder of the year.

In 2014, InTouch will expand staffing to 10 full-time employees. Three music researchers, college students or non-college graduates with a passion and extensive knowledge of music, will be hired and paid \$39,000 yearly salary. A recent college graduate, with a degree in Computer Science, will also be hired to manage the three researchers. Another web designer and database developer will also be added to InTouch's staff. Another IT employee will be hired and the current IT manager will mentor the new IT employee, while beginning to develop the TD Department, which will hire 2 more employees in 2015.

* In 2015, InTouch will have a Supervisor of Operations to head the company's daily procedures. A WD Manager, DM Manager, MR Manager, and TD Manager will run their individual departments and report to the Supervisor of Operations. The IT Department will employ another worker and the HR Department will hire 2 experienced HR reps. The IT Department and Human Resources Department are small and have specific job descriptions, therefore do not have managers. 21 workers will be fully employed in 2016.

In 2016, workers will all get small raises and each department will double in size. Management positions will remain the same, but entry-level employees will be hired in every department to continue to provide a high-level of service to InTouch's expanding clients. The TD Department will expand from 2 entry-level employees to 8, in order to develop new, innovative methods of music integration and distribution ensuring InTouch's longevity in the forefront of digital media service industry.

2017 will be yet another year of personnel expansion. 2 new database analysts will be hired to assist the DM Department. The 4 HR employees' salaries will be raised to \$41,000. The IT Department will hire two additional employees, one a recent college grad and the other with workplace experience. The MR Department will also add two new employees. One new MR employee will be assigned to each of the two most popular genre divisions. Finally 4 new web designers/developers will be employed to the WD Department.

* Based on current expectations the Supervisor of Operations, from 2015-2017, will be the first manager InTouch hired, assuming he/she is still working for InTouch [see 6.0 Management Summary]. This high-paid manager is very experienced, specifically with InTouch internal operations and structure; therefore, they will serve as the overseer and manager of all internal operations.

***** See 8.0.6 Personnel Plan Table *****

7.0 Financial Plan

The following section of the business plan is dedicated towards outlining InTouch's financial structure and plan over the first 5 years of operation. All projections have been systematically calculated based on similar advertising channels within the Internet advertising industry.

7.1 Important Assumptions

The following provisions were assumed when developing InTouch's five-year financial plan.

- InTouch will have 300,000 users by 1/1/14; 1,500,000 users by 1/1/15; 5,000,000 users by 1/1/16; 10,000,000 users by 1/1/17; 15,000,000 users by 1/1/18.

- The average user will visit the site about 1.5 times per week. Making annual web traffic numbers:

2013 – 11,700,000 hits; **2014** – 39,000,000 hits; **2015** – 156,000,000 hits; **2016** – 520,000,000; **2017** – 900,000,000 hits

- At an average 1.5 % click through rate, percentage of users who click on an ad, and an average of \$0.55 cost per click, CPC, annual sales from banner and sidebar ads are:

2013 - \$96,525; **2014** – \$321,750; **2015** - \$1,287,000; **2016** - \$4,290,000; **2017** - \$7,425,000

- For music notification the user will “favorite” an average of 12 artists. An average artist releases an average on 4 albums, singles, etc. in any given year. Therefore, an average of 48 music notification emails will be sent to each user per year. In addition to these emails, InTouch will send an average of 42 music suggestion emails. This totals an average of 90 emails sent annually to each user.

- Business looking to advertise via email will pay an average of \$5 per 1000 emails sent. Annual email ad sales are as follows:

2013 - \$67,000; **2014** - \$405,000; **2015** - \$1,462,500; **2016** - \$3,375,000;
2017 –\$5,625,000

- An average of 25% of InTouch's web traffic will be using the SmartStream feature, listening to an average of 45 minutes of music. The time in hours for annual SmartStream use is shown below:

2013 – 2,193,750 hours; **2014** – 7,312,500 hours; **2015** – 29,250,000 hours;
2016 – 97,500,000 hours; **2017** – 168,750,000 hours

- An average of 90 seconds will be allotted per 1 hour of music. 30 seconds of advertisement, per 1000 viewers, will generate an average of \$10. Therefore, annual streaming music sales will be as follows:

2013 - \$65,812.50; **2014** - \$219,375; **2015** - \$877,500; **2016** - \$2,925,000;
2017 - \$5,062,500

7.2 Projected Income Statement

***** See 8.0.7 Projected Income Statement *****

7.3 Projected Cash Flow

***** See 8.0.8 Projected Cash Flow *****

7.4 Business Ratios

Annual Net Profit Margin

2013:	-19.13%
2014:	13.91%
2015:	46.31%
2016:	66.14%
2017:	71.06%

7.5 Long-Term Plan

This section briefly summarizes InTouch's long-term financial plan, along with its intentions for expansion. The following ideas and plan will be put into effect after 5 years of operations, January 2018, but if circumstances were opportune they could be implemented as early as January 2016. One long-term goal for InTouch is the internationalization of its service. When analyzing competition, it was apparent that many music services companies fail to deliver on an international level, leaving opportunity for InTouch to become the top international digital media service. Large music consumption markets in countries such as Australia, Japan, Germany, UK, France, and Italy would present an opportunity for InTouch to possess a substantial market share of the international digital media industry. Because of the significant additional investment that would be required for internationalization, InTouch will more than likely not begin funding this venture until 2018. Expenses would include sizeable webpage, database, bandwidth, technology, content acquisition, research, and legal expenses.

Another long-term goal for InTouch is the development of a prevalent social media system. This furthers the idea of consumer interaction with their music. A detailed, interactive system allowing users to rate any song based on 3-5 music characteristics. Users will be able to see their individual ratings on an individual page within InTouch's webpage. Top rated songs, by all users, will be featured on their own page as well, and segmented by genre. InTouch users will be able to find friends using InTouch and see their friends' ratings. Users will be prompted to upload a picture as an avatar to further personalization. In addition to these features, music news and blogs will be updated daily. Individual users will have a personal news feed, where all of their favorite artists' latest music, news, and blog topics will be displayed. Facebook and Twitter compatibility will be utilized, so that users can put links from InTouch on other social media sites, thus indirectly referring hundred of people. InTouch's social media system will take time to effectively develop along with significant resources. Social media experts would need to be consulted to work out logistics. Database development work to integrate the social media system into InTouch's database will be necessary. Additional web designers and music researchers would also have to be hired in order to effectively provide InTouch users with the music social media experience described above.

8.0 Appendix

8.0.1 Startup Table*

Pre-Startup Requirements	
Content Acquisition Expense	\$60,000
Database Development Expense	\$30,000
Infrastructure Expense	\$5,000
Legal Expense	\$2,400
Supplies (Technology) Expense	\$12,000
Web Design Expense	\$3,500
Other Expenses	\$150
Total Startup Expenses	\$113,050
Post-Startup Requirements	
Additional Funding Required	\$200,000
Total Startup Requirements	\$313,050

8.0.2 Market Analysis Table**

Market Analysis		2013	2014	2015	2016	2017	
Potential Customers	Growth						CAGR
The Free Music Consumer	4%	56,000,000	58,240,000	60,569,600	62,992,384	65,512,079	4.00%
The Commercial Music Consumer	1%	480,000,000	484,800,000	489,648,000	494,544,480	499,489,925	1.00%
The Up-And-Coming Musician	3%	500,000	515,000	530,450	546,364	562,755	3.00%
The Advertising Customer	2%	25,000	25,500	26,010	26,530	27,061	2.00%
The Internet Radio User	1%	50,000,000	50,500,000	51,005,000	51,515,050	52,030,201	1.00%
Total	1.30%	586,525,000	594,080,500	601,779,060	609,624,808	617,622,021	1.30%

8.0.3 Sales Forecast Table ***

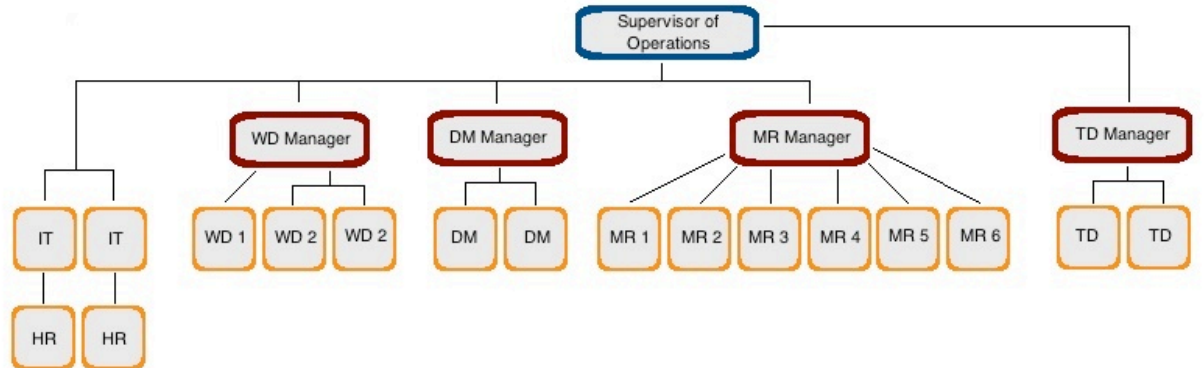
Sales Forecast		2013	2014	2015	2016	2017
Sales						
Banner/Side-Bar/Pop-Up Ad Sales		\$96,525	\$321,750	\$1,287,000	\$4,290,000	\$7,425,000
Email Ads Sales		\$67,000	\$405,000	\$1,462,500	\$3,375,000	\$5,625,000
Streaming Music Ads Sales		\$68,513	\$219,375	\$877,500	\$2,925,000	\$5,062,500
Total Sales		\$232,038	\$946,125	\$3,627,000	\$10,590,000	\$18,112,500

For an explanation of the sales forecasting displayed in the table above see 7.1 Important Assumptions

8.0.4 Milestones Table ****

Milestones				
Milestone	Start Date	End Date	Department	
Email Ad service yields \$1 million in annual sales	1/1/2015	12/31/2015	WD & DM	
Achieve \$7 million in annual sales	1/1/2016	12/31/2016	Ownership	
Have 3 technology developers on full-time payroll	1/1/2015	4/1/2015	TD	
Double H&N users while reducing annual advertising budget	12/31/2014	12/31/2016	Ownership	
Assist in promoting at least 3 "Young Talent" artists who sign music contracts	7/1/2013	7/1/2016	WD	
10 million active InTouch subscribers	1/1/2013	1/1/2017	All	

8.0.5 Personnel Organizational Structure (2015) *****



8.0.6 Personnel Plan Table *****

Personnel Plan	2013	2014	2015	2016	2017
Database Management (DM)	\$52,098	\$126,000	\$179,000	\$338,000	\$441,000
Human Resources (HR)	\$1,140	\$0	\$61,500	\$159,000	\$164,000
Information Technology (IT)	\$34,998	\$119,988	\$215,000	\$355,000	\$450,000
Music Research (MR)	\$0	\$171,996	\$289,000	\$533,000	\$611,000
Technology Development (TD)	\$0	\$0	\$185,000	\$534,000	\$650,000
Web Design (WD)	\$34,160	\$135,000	\$255,000	\$435,000	\$675,000
Total People	4	10	21	45	56
Total Payroll	\$122,396	\$552,984	\$1,184,500	\$2,354,000	\$2,991,000

8.0.7 Projected Income Statement *****

Revenue	2013	2014	2015	2016	2017
Banner/Side-Bar/Pop-Up Ads Sales	\$96,525.00	\$321,750.00	\$1,287,000.00	\$4,290,000.00	\$7,425,000.00
Email Ads Sales	\$67,000.00	\$405,000.00	\$1,462,500.00	\$3,375,000.00	\$5,625,000.00
Steaming Music Ads Sales	\$65,812.50	\$219,375.00	\$877,500.00	\$2,925,000.00	\$5,062,500.00
Interest revenue	\$2,250.00	\$7,500.00	\$30,000.00	\$97,000.00	\$255,000.00
Total Revenues	\$231,587.50	\$953,625.00	\$3,657,000.00	\$10,687,000.00	\$18,367,500.00
Expenses					
Accounting Expense	\$400.00	\$1,350.00	\$9,500.00	\$15,000.00	\$19,000.00
Advertising Expense	\$22,100.00	\$27,000.00	\$55,000.00	\$42,500.00	\$39,500.00
Consulting Expense	\$7,280.04	\$28,000.00	\$72,500.00	\$127,500.00	\$127,500.00
Content Acquisition Expense	\$68,064.00	\$12,480.00	\$24,960.00	\$99,840.00	\$275,000.00
Domain Name Expense	\$450.00	\$360.00	\$720.00	\$720.00	\$720.00
Employee Expense	\$155,896.00	\$552,984.00	\$1,184,500.00	\$2,354,000.00	\$2,991,000.00
Insurance Expense	\$540.00	\$900.00	\$1,900.00	\$1,900.00	\$4,500.00
Legal Expense	\$2,400.00	\$1,800.00	\$4,800.00	\$12,000.00	\$27,000.00
Owner's Withdrawl	\$-	\$50,000.00	\$100,000.00	\$125,000.00	\$175,000.00
Promotional Expense	\$1,750.00	\$32,500.00	\$87,500.00	\$124,500.00	\$354,750.00
Software Development Expense		\$75,000.00	\$225,000.00	\$235,000.00	\$175,000.00
Supplies (Technology) Expense	\$17,000.00	\$23,500.00	\$139,000.00	\$275,000.00	\$745,000.00
Total Expenses	\$275,880.04	\$805,874.00	\$1,905,380.00	\$3,412,960.00	\$4,933,970.00
Net Income Before Taxes	\$(44,292.54)	\$147,751.00	\$1,751,620.00	\$7,274,040.00	\$13,433,530.00
Income tax expense	\$-	\$15,064.00	\$58,018.00	\$205,917.00	\$381,984.00
Net Income	\$(44,292.54)	\$132,687.00	\$1,693,602.00	\$7,068,123.00	\$13,051,546.00

8.0.8 Projected Cash Flow *****

Cash Flow (5 Years)	InTouch				Fiscal Period Ending: Dec 31, 2017	
	Pre-Startup	Year 1 - 2013	Year 2 -2014	Year 3 -2015	Year 4 - 2016	Year 5 - 2017
Cash on Hand		\$ 215,000.00	\$ 245,607.46	\$ 378,294.46	\$ 2,109,646.46	\$ 9,177,769.46
CASH RECEIPTS						
Investment	\$ 328,050.00					
Sales		\$ 229,337.50	\$ 946,125.00	\$ 3,627,000.00	\$ 10,590,000.00	\$ 18,112,500.00
Interest Revenue		\$ 2,250.00	\$ 7,500.00	\$ 30,000.00	\$ 97,000.00	\$ 255,000.00
TOTAL CASH RECEIPTS	\$ 328,050.00	\$ 231,587.50	\$ 953,625.00	\$ 3,657,000.00	\$ 10,687,000.00	\$ 18,367,500.00
Total Cash Available	\$ 328,050.00	\$ 446,587.50	\$ 1,199,232.46	\$ 4,035,294.46	\$ 12,796,646.46	\$ 27,545,269.46
CASH PAID OUT						
Accounting Expense		\$ 400.00	\$ 1,350.00	\$ 9,500.00	\$ 15,000.00	\$ 19,000.00
Advertising Expense		\$ 22,210.00	\$ 27,000.00	\$ 55,000.00	\$ 42,500.00	\$ 39,500.00
Consulting Expense		\$ 7,820.04	\$ 28,000.00	\$ 72,500.00	\$ 127,500.00	\$ 127,500.00
Content Acquisition Expense	\$ 60,000.00	\$ 8,064.00	\$ 12,480.00	\$ 24,960.00	\$ 99,840.00	\$ 275,000.00
Domain Name Expense	\$ 90.00	\$ 360.00	\$ 360.00	\$ 720.00	\$ 720.00	\$ 720.00
Employee Expense	\$ 33,500.00	\$ 122,396.00	\$ 552,984.00	\$ 1,184,500.00	\$ 2,354,000.00	\$ 2,991,000.00
Insurance Expense	\$ 60.00	\$ 480.00	\$ 900.00	\$ 1,900.00	\$ 1,900.00	\$ 4,500.00
Legal Expense	\$ 2,400.00		\$ 1,800.00	\$ 4,800.00	\$ 12,000.00	\$ 27,000.00
Promotional Expense		\$ 1,750.00	\$ 32,500.00	\$ 49,750.00	\$ 124,500.00	\$ 354,750.00
Software Development Expense			\$ 75,000.00	\$ 225,000.00	\$ 235,000.00	\$ 175,000.00
Supplies (Technology) Expense	\$ 17,000.00	\$ 37,500.00	\$ 23,500.00	\$ 139,000.00	\$ 275,000.00	\$ 745,000.00
SUBTOTAL	\$ 113,050.00	\$ 200,980.04	\$ 755,874.00	\$ 1,767,630.00	\$ 3,287,960.00	\$ 4,758,970.00
Owner's Withdrawal			\$ 50,000.00	\$ 100,000.00	\$ 125,000.00	\$ 175,000.00
Income Taxes			\$ 15,064.00	\$ 58,018.00	\$ 205,917.00	\$ 381,984.00
TOTAL CASH PAID OUT	\$ 113,050.00	\$ 200,980.04	\$ 820,938.00	\$ 1,925,648.00	\$ 3,618,877.00	\$ 5,315,954.00
Cash Position (end of year)	\$ 215,000.00	\$ 245,607.46	\$ 378,294.46	\$ 2,109,646.46	\$ 9,177,769.46	\$ 22,229,315.46