

Address It

Business Plan

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Allison Chen
Tyler Sommers
Andrew Sarofeim
Alan Auyeung

Executive Summary

Companies spend millions of dollars to keep their customers happy hoping that they will continue to patronize the business. However, many fail to realise that in addition to providing a good product/service at a good price, there is something else that customers value greatly and it is the something that will set one apart from its competition - time.

Statistics suggest that 15 percent of the Canadian population move annually, representing some 5.1 million people. This number represents business for hundreds and thousands of companies across the country and all the interactions that bind them together. The average consumer is expected to contact at least 10 different organizations to update their address and each call can take anywhere between 15-20 minutes, translating easily into over 3 hours of precious time for the consumer, time that can be better spent. For a large Canadian financial institution such as Toronto Dominion Bank with a customer base of 11 million, if 15 percent of its customers move annually the bank will be responding to 1.65 million calls from customers notifying them of an address change and this simple action alone will cost the bank nearly four hundred thousand man hours and over \$5 million *every year*, money that no one can afford to spend, especially in these recessional times.

Address It will be the solution to the traditional cost and timely method of having customers call into the companies to update address information. There are currently no companies in the market that offers the same service. Address It is a free online service that provides users with a convenient way to notify all the organizations of the address change, all at once in one place. The website will allow the user to choose from a drop-down menu a list of

companies that s/he would like to notify including but not limited to financial institutions, schools, utilities and entertainment providers, and professional institutions. The service will be offered to corporate clients at a minute fraction of what they would be paying relative to the otherwise conventional method of using customer agents to perform the tasks and relative to the cost of running the service in-house.

There is a substantial opportunity for Address It in today's market. No company in Canada currently provides the services that Address It will offer and through working with banks, the federal government and other potential clients, Address It will establish its position as a necessity in address change. It is legally required of companies and citizens to notify government agencies of a change in address, and currently there is no centralized method of doing so. Expansion opportunities exist with agencies such as Canadian International Development Agency and Export Development Canada where Address It can assist in developing countries through providing a centralized database of citizen information.

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Situation Analysis

Background

The idea behind Address It is to provide users with a solution for communicating a change of address to the many organizations and companies that have a vested interest in the user, making the knowledge of their residency a critical piece of information for the continual service that these organizations will provide. Address It is a simple solution to a big problem – it helps the user communicate the information change in a quick and simple way, to all interested parties, all at once.

Present Market Conditions

Statistics Canada data indicates that an **average of 15 percent of the Canadian population will move** in any given year, totalling the 2010 moving population to some estimated **5.1 million people**. Presently, when someone moves and wishes to notify the banks, utility providers, entertainment providers, schools, and government agencies of the address change, s/he would have to call into those organization's call centres and speak with a customer representative. Each phone call takes anywhere between **15-20 minutes** from dialling to having fully updated the information. **Appendix A** provides a breakdown of the average number of organizations that a user would likely have to contact.

Based on the chart, it clearly suggests that the average number of organizations that individuals would need to contact is at least **10**, with some conservative assumptions made. It is assumed that service providers for Internet, phones, and cable television is the same company when in many instances it is not the case (ex. Telus as cellular phone provider, Bell for home phone, Rogers for Internet and cable television = 3 companies). It is also assumed that the user does not hold a passport, is not retired and is currently employed, thus eliminating the need to receive either pension payments or employment insurance payments. In terms of leisure, it is assumed that the user is not affiliated with any other companies that would require the user's address such as gym memberships, subscription

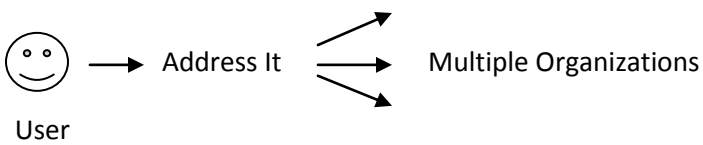
magazines/newspapers, and store cards with retailers. Lastly, it is assumed that the user is not a current student or alumni/member of a professional body (ex: Chartered Accountants of Canada, Law Society of Upper Canada, Professional Engineers Ontario, etc), thus also reducing the number of organizations that need to be contacted.

Considering the many assumptions that were made to calculate the average number of organizations, it is fair to say that the average can easily escalate to *15 or more*, which would make Address It even more of a valuable service.

Address It & Value Proposition

Address It is an online service with the goal of providing its users with an effective and efficient way to notify organizations of the user's address and telephone change. The service acts as an intermediary between the user and the organizations by sending the updated information out to multiple parties at once, saving both users and companies time and money. The service replaces the traditional method of having the users call into each and every organization's call centres to update the information. Though there are companies that currently offer their customers the option to update information online, it simply does not solve the hassle for the customer – it is simply just another method to go about updating the information, at the end of the day the customer is still required to perform the task for 10 or more times, except with the possibility of doing it through another channel.

With Address It, however, users can notify all the organizations required through the use of one website and notifications will be sent out to all parties. It takes a fraction of the time relative to the traditional way, saving users time thus companies can be sure that their customers are happier. With regards to the companies, Address It can ease the call volumes at the call centres allowing customer representatives to spend more time dealing with serious issues. The service will save organizations a substantial amount of resources which all translates into time and money. See **Appendix B** for a numerical depiction of Address It's value proposition, for both a large and medium enterprise.

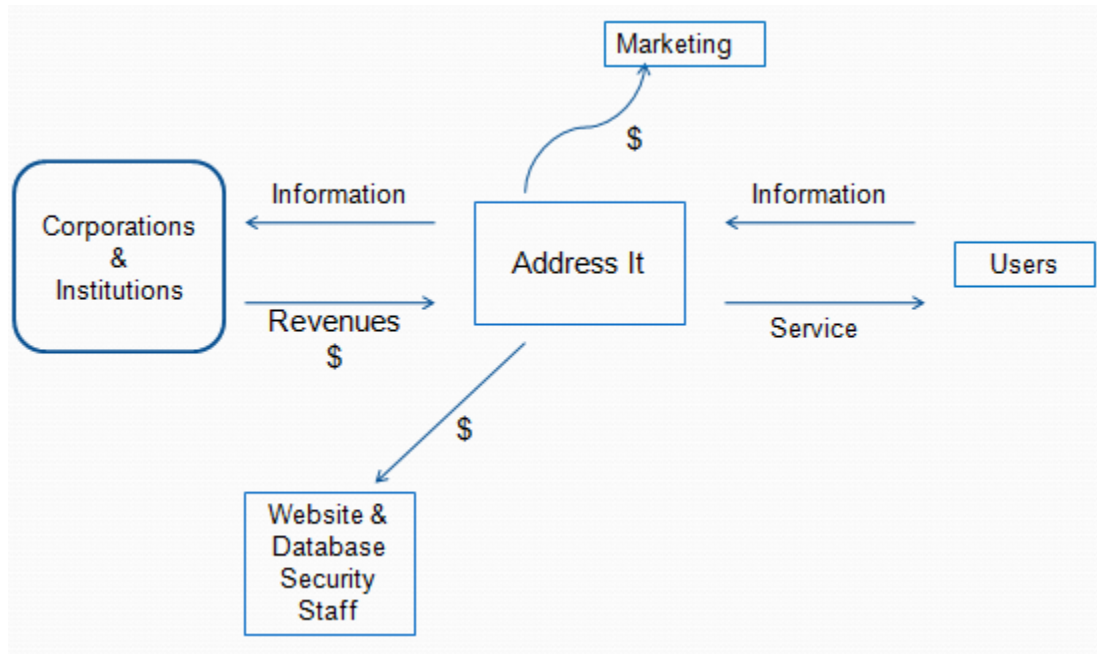


Market Opportunities & Competition

There are a few organizations in the market that provide address and contact information changing services through their website, but the information provided is solely for the one single organization. They are not intermediaries like Address It; instead they simply provide their customers the option to update their information through the corporate website as opposed to calling into the call centres. Rogers Communications is an example. The company provides an option for its customers to update residential information through the corporate website in exchange for \$30 credit. Another example is the Ontario government, which has set up a system whereby Ontario residents can update their information for driver's license and health card on the provincial government's website. Both cases, however, do not allow users to notify multiple organizations at once, and this creates a large opportunity for Address It.

With reference to services that help to redirect the user's mail, Canada Post has a Change of Address service where it can redirect the user's mail from their old address to the new place of residency. The problem is that the service is only a temporary solution to help ease the burden of moving but in the end, users are still required to contact organizations individually to update their address on record. Moreover, Canada Post charges a fee of \$6.04 per month, for up to 12 months, and there is a limit on the number of individuals that can share each account before extra fees are charged.

Business Model



The business model is a clear and concise way of showing the revenues and expenses of Address It. The corporations and institutions provide the revenue stream in the form of fixed and variable revenues to Address It so that we can provide their customers (our users) with the service. The information flow begins when the users input their personal address and contact data into our database, which is subsequently sent off to the corporations for updates. Our expenses consist of website construction, database maintenance, security software, salary expense, and marketing expense.

Management Team & Ownership Structure

Address It was formed in Ottawa, Ontario. Its founder and president, Allison Chen, owns 100 percent share of the company.

Title: Founder and President

Name: Allison Chen

Job Description:

- Responsible for guiding the company in a profitable direction

- Oversee all aspects of the business, from obtaining clients and marketing to human resources and financial management
- All employees report directly to the president

Qualifications:

- Business degree from the University of Ottawa, specialization in finance
- 5 years experience in sales, including personal sales industry
- Excellent financial and management skills
- Understands the importance of value for money and customer retention

Advisors

Tyler Sommers. Account Manager, Ant & Bee Corporation.

- Tyler Sommers is an account manager at Ant & Bee Recruiting Inc., a leading HR placement firm, based in Toronto and Ottawa. He is responsible for outreach to governmental departments such as Health Canada, Service Canada, and Elections Canada, with the goal of supplying the government with Information Technology and Information Management professionals. He will be an asset to Address It as a public relations advisor as well as supplying Address It with IT professionals.

Alan Auyeung. Marketing student.

- Alan Auyeung is a fourth year business student at the University of Ottawa, specializing in marketing. He will be assisting Address It by designing marketing campaigns so that we can better pursue our clients.

Andrew Sarofeim. Accounting Student.

- Andrew Sarofeim is a fourth year accounting student at the University of Ottawa. He intends to obtain his Certified General Accountant designation upon graduation and will advise Address It in the area of financial management.

Please note: advisors participate on a voluntary basis and no fee is charged for their business advice.

Additional Staff:

In addition to the president and advisors, Address It will require the service of 4 additional individuals: 2 support staff who will work as customer agents and address client and user issues, the third individual will be an IT professional assigned with the task of constructing the company website and database as well as maintaining the software, and the last individual will be a bookkeeper for the

company. The customer agents and IT professional will be hired on a full-time basis and the bookkeeper will be on a part-time basis.

Compensation:

Position	Salary
President salary	\$50,000
Customer agents	\$28,000
IT website and database administrator	\$50,000
Bookkeeper (part-time)	\$25,000

Conclusion

Address It will be a successful business because it provides companies and users with a solution to a problem that no other company in Canada can provide. Though some organizations offer its customers the option to update address information on their website, which only addresses the cost issue for the company, the service does not address the problem from the user's point of view. Even if all companies provide an online option to change/update contact information, users will still be required to repeat the process 10 or more times.

Address It, on the other hand can solve the problem for users, and provide the same service as the corporations but at a much *lower cost*. The service will allow organizations to save time and money by receiving updates from its customers without their calling the call centres, and users to notify all the organizations of the address change, all at once without having to repeat the same procedure. For existing companies that already offer online address change options to its customers, such as Rogers Communications, Address It will still be valuable because we simply provide them with the service at a much lower cost and they will no longer have to waste time and resources on managing a service that can be outsourced to Address It at a fraction of the cost.

Marketing Strategy

Target Market

Our target market is medium and large enterprises and organizations that keep records of its customers' contact information and address. This means that the establishment can be from any industry: retailer, government agencies, financial institutions, utilities and other service providers, academic institutions and other professional organizations. These organizations are our customers in that they are the ones to provide the revenue stream; however, there are two users of Address It and they are the organizations who use the service as a means to save money and please customers and end-users who are these organizations' customers, and will be able to update information for free on our website.

Service Strategy

Address It's strategy is to market the service to medium and large-size organizations that view customer contact and address information as vital pieces of information for its operations. More specifically, we will target organizations with call centres or large customer service operations. Such organizations would be banks, government agencies, or utilities and entertainment providers. Address It is positioned to be the intermediary service provider to handle the hassle of communication between establishments and their customers. Considering companies spend hundreds of thousands of dollars in resources just to take phone calls from customers who want to update address information, our strategy is to position ourselves between the companies and their customers so that companies can save time and money and users can simply deal with Address It.

Pricing Strategy

The pricing model used to determine fees charged to corporations and organizations are built in such a way that the service is affordable to organizations of different sizes because the model is flexible to accommodate differing budgets.

The pricing model adopts a fixed plus variable rate for each client. The reason why the pricing model is flexible is that the absolute fixed cost will take into account the size of the client company so that the cost will not be overwhelming for the client. The variable rate accounts for the actual transactional cost of generating an update through Address It. The chart below clearly outlines how Address It can be an affordable service for companies of all sizes.

Company Customer Base	Fixed Rate per Customer	Absolute Fixed Cost†	Variable Rate per Transaction	Absolute Variable Cost††	Total Annual Cost
A – 1,000	5¢	\$500	10¢	\$15	\$515
B – 10,000	5¢	\$500	10¢	\$150	\$650
C - 100,000	5 ¢	\$5000	10¢	\$1500	\$6500
D - 1,000,000	5 ¢	\$50,000	10¢	\$15,000	\$65,000
E - 10,000,000	5 ¢	\$500,000	10¢	\$150,000	\$650,000

†The fixed rate will be the same for every client; however, the fixed cost per year for any company will be calculated as either 5¢ per customer or \$500, whichever one is higher.

††The estimation for absolute variable cost was made by multiplying the customer base by 15 percent (to represent the proportion of customers who will move) multiplied by the variable rate of 10¢.

Promotion Strategy

Personal selling: Personal selling is a critical aspect to Address It's marketing strategy. To market our service to prospective clients, we must approach them and personally pitch the idea. The pitch, however, will differ depending on the client targeted. For organizations that only provide their customers with the option of calling in to update address information, our pitch would be to emphasize the value proposition of saving them both time and money and keeping their customers happy. Should the client already offer its customers the option to update the information through the corporate website, our pitch will focus on the low cost associated with our service. Since their customers can already update information online, the client may already be saving time and money relative to the conventional call-centre method so the major value of using Address It is the much lower cost of outsourcing the service to us as opposed to supplying the service in-house.

Sales Promotion: In order to market Address It to prospective clients, an incentive program will be required to be presented to them. For instance, if we were to approach CIBC bank, we will attempt to

entice them by offering a corporate discount for the first year (perhaps charging a variable rate of 5 cents instead of 10 cents for the first year). For smaller companies, we could offer a 3-month no obligation trial. The key idea for sales promotion is to encourage businesses to adopt the Address It service. In order to gather the most amount of clients possible, very lucrative promotions will be offered. They will not be generic promotions; they will be tailored specifically for every potential business client we approach.

Advertisement: Given the nature of business for Address It, it provides a very unique opportunity for us in terms of advertisement. When prospective clients decide to use Address It, they will realise that the more their customers use our service, the more money they will end up saving. This then provides our clients with an incentive to market Address It to their customers, making our clients an important component in our marketing plan. Also, we will focus some of our marketing budget to home builder mediums such as New Home and Condo Guide magazine and the Ottawa Living website. Social media networks such as Facebook and MySpace could also be used to market to users who are active users of the Internet and are between a given target age. For example, we may have a campaign specifically targeting people between the ages of 18 to 24 on Facebook, who are likely to be students moving to another city for post-secondary education and will need to update address and contact information. People within this age group tend to move more frequently as the majority of those who live away from home are renters and this creates a large opportunity for Address It. Marketing to young users raises awareness and is a very important aspect of advertisement because students have access to a large network and marketing through word of mouth is very effective for people of this age group.

Partnership with Canada Post Corporation

One way to build up our reputation and establish ourselves as a trusted business in the market is to first perhaps partner with an existing trusted entity. Since Address It provides a change of address and contact information service, what the service affects most is ensuring that the user receives all

his/her mail in the right place – so it makes sense that the company we would want to partner up with is Canada Post Corporation, a Canadian Crown corporation functioning as the country’s primary postal operator. Canada Post provides service to 14 million addresses on a daily basis – that is more than a third of Canada’s population. With a market reach like this, Canada Post will be a valuable resource in helping Address It market its services to Canadians.

Canada Post will partner with Address It because it will also gain from this partnership. Statistically speaking, the surge in the popularity of online banking and users who have adopted online billing have caused snail mail numbers to stagnate and that hurts Canada Post’s business greatly. One of the reasons why people choose to do online billing is because of convenience – it does not matter where they are or where they have moved to, they will not run the risk of missing payments because all the information is accessible online. So in order to counter the perception of snail mail being inconvenient and risky in today’s modern society, Address It will partner up with Canada Post to provide our service to Canada Post’s customers so that they too can conveniently update contact and address information. Though Canada Post already has a mail redirecting service, Address It is what the consumers really need – a free, simple, convenient service.

The way the partnership will likely work is that Canada Post will advertise Address It on its corporate website and the advertisement will provide customers with a link to our website along with a referral code to be punched in when registering for an account. This code will be used for logistics purposes to determine how many of our users were referred to us by Canada Post should we ever have to provide a portion of revenues to Canada Post. This situation is unlikely due to the fact that a service like Address It will help to boost snail mail volumes because people will feel that it is dependable again as they can easily switch their address and get all their mail on time.

Operating Strategy

Use of Financial Resources

Once Address It secures its 3 initial launch clients, the company will collect half of the fixed costs from each of the 3 clients and this money will be used to cover operational costs. To gather start-up capital, however, Address It will be taking out a loan of \$250,000 in addition to the president's contribution of \$10,000.

The first thing Address It needs is to construct a working website and the cost would include purchasing a domain name, purchasing servers, designing the website, hiring a web-hosting company, and purchasing security software to encrypt user data.

Labour Requirements: Address It will require the services of two customer agents to handle daily questions and inquiries and to cross-reference information that has been flagged on the database to ensure that everything is entered correctly. To keep track of financial records for accounting purposes, a part-time bookkeeper will also be hired. A salary will be established for each position with added benefits. To hire the required personnel, the service of a placement agency may be used, especially to find technical staff such as the database administrator. We will likely use an IT-specific agency such as Ant & Bee Corporation, the company for which one of our advisors work.

Insurance Plan: Address It will have a user agreement to ensure that the company is not liable for lost information. There will also be a privacy statement to inform users that best efforts will be made to ensure that any and all personal information will be kept safe and secure and that Address It will never sell users' information to a third party. With regards to the data encryption service provider, VeriSign, the company has a \$250k insurance policy to guard against any potential loss of information resulting from the security software's malfunctioning.

Refer to **Appendix C for a breakdown of expenditures for the first year of business.*

Risks Associated With Venture

There is a series of risks associated with the venture including technological, privacy, and competitive risks. Alike any other service offered on the Internet, Address It faces technological risks such as server issues (i.e. crashes) resulting from general malfunctions or the inability of the server to support high traffic volume. In attempting to mitigate those risks, Address It will have multiple servers – some as a means to expand the server farm and others used as back-ups. In addition, the company will have a full-time database administrator present to ensure that should any technological glitches arise that they will be addressed in a timely manner to minimize the effects of the technological issue.

Privacy concerns are one of the most notable faced by organizations today. With so much personal information on the Internet, it is important for online companies to secure user information so that sensitive data does not get misused for malicious purposes. As an online service provider, specifically dealing with sensitive personal information, Address It will place high priority to ensure that all security features are up to date and that only the best and most trusted security programs are used, such as VeriSign for data encryption, which is what many financial institutions use.

Since there are no companies that provide the same service as Address It in Canada, the risks associated with competition currently is limited to those organizations that offer their customers the option to update information on the website and organizations such as Canada Post that provides a mail redirection service to subscribers. However, given the unique nature of Address It, it is important to note that it does have the opportunity to achieve first mover advantages in the Canadian market as there is no other company that provides the same service. Once Address It secures a steady number of corporate clients, entrants to the market will be deterred simply because the organizations would only require the address update service of one company and once the client is secured, there are less organizations to go around, making the market less attractive for potential competitors. In other words, Address It would become the market leader. Even if companies do choose to enter the market, they

may find that it is much more difficult to obtain market share because of the consumer switching costs (extra marketing), making their businesses less profitable. With that established, it is unrealistic to assume that there will be no competition and so to ensure that the company is able to fend off competition, Address It will need to focus on marketing and provide excellent service to our corporate clients to establish solid relationships (customer loyalty) so that it becomes harder for entrants to steal them away in the future.

Address It in the Future

One of the major hurdles facing developing countries is the lack of an official record of personal address and contact information. Citizens in many countries are unable to acquire micro-loans or to access a wealth of opportunity simply because they do not possess proof of this information. Address It, in collaboration with agencies such as Canadian International Development Agency and Export Development Canada, will be able to expand into international markets while providing essential information gathering and organizing services.

Financial Strategy

Several assumptions have been made when constructing Address It's financial statements. In order to create the company's income statements, one would need to estimate the income that would be generated during the fiscal year. For the first year of Address It, it has been assumed that there will be three launch clients of different sizes: a university, a national retailer, and an entertainment service provider with customer bases of 50,000, 250,000, and 9 million respectively. The total customer base of 9,300,000 will be used to calculate the fixed revenues and to generate an estimate for variable revenues, 15 percent of the total customer base will be expected to move and thus will multiply the product of $9,300,000 * 0.15$ by 10 cents.

The three launch clients were generated based on the probability of success in persuading them to use Address It. A university will likely buy into our idea because even though many offer their students the option to update address information online, there are many in their network who are no longer students such as alumni and previous professors who may not remember to contact the university to update their address after a move. With no updated address, the institution is then unable to send alumni magazines and newsletters, thus losing touch with many of its previous students (who may be potential professors) and previous employees whom the school may wish to return to work at the institution. Additionally, the cost for an institution with 50,000 users is very affordable at a fixed annual cost of \$2500 and variable cost of \$750, totalling \$3250, making Address It extremely attractive given the risks the school would run by not using our service.

The reasoning that goes into counting a national retailer as one of three launch clients is similar to that of the university. Retailers, aside from using posters, billboards, and advertisements in magazines also advertise exclusively to existing customers through the distribution of catalogues. The reason why exclusive marketing works is due to the fact that saving existing customers is much easier and less costly than obtaining new customers. With that established, one can see the importance of catalogues for large national retailers – catalogues are their messengers to notify customers of the arrival of new merchandise. Since the only way that customers will get their catalogues is if the company gets the address right, and retailers are not traditionally those contacted by people to update their address after a move, it is highly unlikely that the catalogue will arrive to the right person. Hence it is reasonable to assume that a national retailer would be interested in becoming our client because they will not want to waste money by sending catalogues to the wrong people, who may not even be in their target niche.

Last but not least, the biggest launch client for Address It is an entertainment service provider. But more specifically, an assumption has been made that we can successfully convince Rogers

Communications to come on board within the first year. The reason for this is simple: aside from the obvious money and time saver for the company, Rogers and its competing service provider, Bell, are notorious for long wait times on the phone and customers complain that they feel rushed off the phone by customer agents. By using Address It, however, Rogers can free up phone lines allowing their agents to spend more time dealing with serious issues with customers, leaving them more satisfied in the end. The most important selling point, however, is the fact that Address It's value proposition will be extra valuable for Rogers – the company currently offers a \$30 credit to all customers who move their services *online* from the old residence to the new address as opposed to calling into the call centres. If the company pays \$30 every time a customer uses their website to change the address to move services, it can quickly prove to be an expensive initiative. With Address It, however, not only will Rogers be able to save time and money (between calling-in and using Address It), but it will also save the \$30 credit that it gives to each customer. With that established, it is reasonable to assume that Rogers will want to come on board.

The 3 launch clients will be used to calculate the income statements for the first and second year. No clients were added to the second year simply because we wanted to show that despite having new clients, the company's net income still increases due to a decrease in expenses. The third year includes a fourth client, a relatively smaller financial institution with customer base of 5 million. Since one of Address It's main targeted clients will be financial institutions, it makes sense for the company to spend the second year working to obtain a client in the financial industry and because it is unreasonable to think that a large bank such as TD Canada Trust would come onboard first, we have worked to get a smaller bank with half the customer base for the third year of operations. This will be a major milestone for the business as it will become much easier to pitch to banks after they can see that we already have a smaller one in our client base.

Income Statement

Address It Incorporated
Income Statement
For fiscal year ended December 31, 2011.

Revenues

Fixed revenues	465000	
Variable revenues	139500	
Total Revenues		604500

Expenses

Domain Fee	10	
Website Construction	3000	
Server	3000	
Web Hosting	240	
Security Encryption	3000	
Marketing Expense	20000	
Salary Expense	181000	
Interest Expense	12500	
Office Rental	12000	
Total Expenses		<u>234750</u>
Net Income		<u><u>369750</u></u>

Address It Incorporated
Income Statement
For fiscal year ended December 31, 2012.

Revenues

Fixed revenues	465000
Variable revenues	139500

Total Revenues	604500
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Expenses

Domain Fee	10
Website Hosting	240
Security Encryption	3000
Marketing Expense	20000
Salary Expense	181000
Office Rental	12000

Total Expenses	<u>216250</u>
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Net Income	<u><u>388250</u></u>
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Address It Incorporated
Income Statement
For fiscal year ended December 31, 2013

Revenues

Fixed revenues	715000
Variable revenues	214500

Total Revenues	929500
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Expenses

Domain Fee	10
Website Hosting	240
Additional Server	3000
Security Encryption	3000
Marketing Expense	20000
Salary Expense	237000
Office Rental	25000

Total Expenses	<u>288250</u>
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Net Income	<u><u>641250</u></u>
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Balance Sheet

Address It
Balance Sheet
As of January 1, 2011

Assets

Current Assets

Cash	\$	260,000
Accounts Receivable	\$	465,000

Total Current Assets		\$	725,000
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Fixed Assets

Website & Server	\$	9,250
Office Space	\$	12,000

Total Fixed Assets		\$	21,250
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Total Assets			<u>\$</u>	<u>746,250</u>
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Liabilities & Owner's Equity

Liabilities

Accounts Payable	\$	29,250
Salaries Payable	\$	181,000
Rent Payable	\$	12,000
Bank Loan	\$	250,000
Interest Payable	\$	12,500

Total Liabilities		\$	484,750
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Owner's Equity		\$	261,500
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Total Liabilities & Owner's Equity			<u>\$</u>	<u>746,250</u>
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Address It
Balance Sheet
As of December 31, 2011

Assets

Current Assets

Cash	\$	379,750	
Accounts Receivable	\$	-	

Total Current Assets		\$	379,750	
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Fixed Assets

Website & Server	\$	9,250	
Office Space	\$	12,000	

Total Fixed Assets		\$	21,250	
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Total Assets			<u>\$</u>	<u>401,000</u>
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Liabilities & Owner's Equity

Liabilities

Accounts Payable	\$	-	
Salaries Payable	\$	-	
Rent Payable	\$	-	
Bank Loan	\$	-	
Interest Payable	\$	-	

Total Liabilities		\$	-	
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Owner's Equity		\$	401,000	
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Total Liabilities & Owner's Equity			<u>\$</u>	<u>401,000</u>
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Address It
Balance Sheet
As of December 31, 2012

Assets

Current Assets

Cash \$ 1,034,000

Accounts Receivable \$ -

Total Current Assets \$ 1,034,000

Fixed Assets

Website & Server \$ 9,250

Office Space \$ 12,000

Total Fixed Assets \$ 21,250

Total Assets \$ 1,055,250

Liabilities & Owner's Equity

Liabilities

Accounts Payable \$ -

Salaries Payable \$ -

Rent Payable \$ -

Total Liabilities \$ -

Owner's Equity \$ 1,055,250

Total Liabilities & Owner's Equity \$ 1,055,250

Address It
Balance Sheet
As of December 31, 2013

Assets

Current Assets

Cash	\$	1,675,250	
Accounts Receivable	\$	-	

Total Current Assets		\$	1,675,250
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Fixed Assets

Website & Server	\$	12,250	
Office Space	\$	25,000	

Total Fixed Assets		\$	37,250
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Total Assets			<u>\$ 1,712,500</u>
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Liabilities & Owner's Equity

Liabilities

Accounts Payable	\$	-	
Salaries Payable	\$	-	
Rent Payable	\$	-	

Total Liabilities		\$	-
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Owner's Equity		\$	1,712,500
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Total Liabilities & Owner's Equity			<u>\$ 1,712,500</u>
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Cash Flow

Address It Incorporated
Cash Flow Statement
Year ending December 31, 2011

<u>Operating Activities</u>	
Accounts Receivable	604500
Accounts Payable	222250
Interest Payable	12500
<i>Net Operating Activities</i>	839250
<u>Financing Activities</u>	
Bank Loan	250000
Net cash flow change	1089250

Address It Incorporated
Cash Flow Statement
Year ending December 31, 2012

Accounts Receivable	604500
Accounts Payable	216250
Interest Payable	0
<i>Net Operating Activities</i>	820750
<u>Financing Activities</u>	
Bank Loan	0
Net cash flow change	820750

Address It Incorporated
Cash Flow Statement
Year ending December 31, 2013

Accounts Receivable	929500
Accounts Payable	288250
Interest Payable	0
<i>Net Operating Activities</i>	1217750
 <u>Financing Activities</u>	
Bank Loan	0
 Net cash flow change	 1217750

Appendix A

NB: The highlighted components are those that are deemed to be essentials and are organizations that most people will need to contact, and thus the sum of those will provide us with an estimated *minimum*.

Category	Sub-Category	Total Within Category
Financial	Bank cards	3 (Avg. Person has 3 credit cards)
	Credit cards	
	Insurance	
Utilities	Hydro	2
	Water	
Service Providers	Internet	1 (assuming that all 3 services are provided by ONE company)
	Phone	
	Cable/Satellite	
Government	Health card	3+
	Driver's License	
	Income Tax	
	Additional:	
	Passport Canada Pension Plan Employment Insurance	
Leisure	Gym Membership	Optional
	Subscriptions (Magazine, Newspaper)	
	Store Cards	
	Charities	
Other	Professional Bodies	Optional
	Schools & Alumni	

Appendix B

Value for a large organization (such as a bank) with customer base of 10 million:

Customers Call-In Method	Annual Cost	Time (minutes)
Updating address for ONE customer	\$3.50	15
Updating address for 1.5 million customers	\$5,250,000	22,500,000
Upsetting customers	Can't Afford It	-
Total Cost for Client (without Address It)	\$5,250,000	375,000 hours

Address It Method	Annual Cost	Time (minutes)
Fixed rate (5¢ per customer, 10 M customers)	\$500,000	
Variable rate (10¢ per transaction, 1.5 M transactions)	\$150,000	
Total Cost for Client (with Address It)	\$650,000	0

Value Added	<u>\$4,600,000</u>	<u>375,000 hours</u>
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Value for a medium organization (such as a university) with customer base of 50,000:

Customers Call-In Method	Annual Cost	Time (minutes)
Updating address for ONE customer	\$3.50	15
Updating address for 7500 customers	\$26,250	112,500
Upsetting customers	Can't Afford It	-
Total Cost for Client (without Address It)	\$26,250	1875 hours

Address It Method	Annual Cost	Time (minutes)
Fixed rate (5¢ per customer, 50k customers)	\$2,500	
Variable rate (10¢ per transaction, 7500 transactions)	\$750	
Total Cost for Client (with Address It)	\$3,250	0

Value Added	<u>\$23,000</u>	<u>1875 hours</u>
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Appendix C

Start-up Costs (does not include all expenditures)

Expenditures	First Year
Domain Fee	\$10
Website construction	\$3,000
Servers	\$3,000
Security Encryption	\$3,000
Website Hosting	\$240
Marketing	\$20,000
Office Space Rental	\$12,000
Full-time salary for president	\$50,000
Full-time database administrator	\$50,000
Part-time bookkeeper	\$25,000
Support Staff (\$28,000 salary each)	\$56,000
Total Expenditure	\$222,250