

# Business Plan

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## Brief Business Model Plan

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## Executive Summary

Beaconize.Me is a digital agency that is blurring the line between social media and real life interactions through custom challenge based services tailored to our clients needs and objectives. We guarantee substantial value and insight from our services, all while generating greater customer engagement, and increase in website traffic, an increase in revenues, and deeper integration into new client bases, specifically the Gen-Y demographic.

Beaconize.Me's value proposition is simple and key: "Engagement and interaction with our clients' customers in the most cost efficient manner possible, through challenge based services". This is done to offer substantial value as well as insight and savings to our clients. Sponsors, websites, as well as physical locations (venues hosting events) all derive better return on investment through the use of the Beaconize.Me process (as compared to traditional agencies). What really sets Beaconize.Me apart from the competition is our differentiating value ("Pixie Dust"). This is our unparalleled ability to provide insight and energize your customers through our challenge based services which apply our 6 core principles through a specifically tailored process.

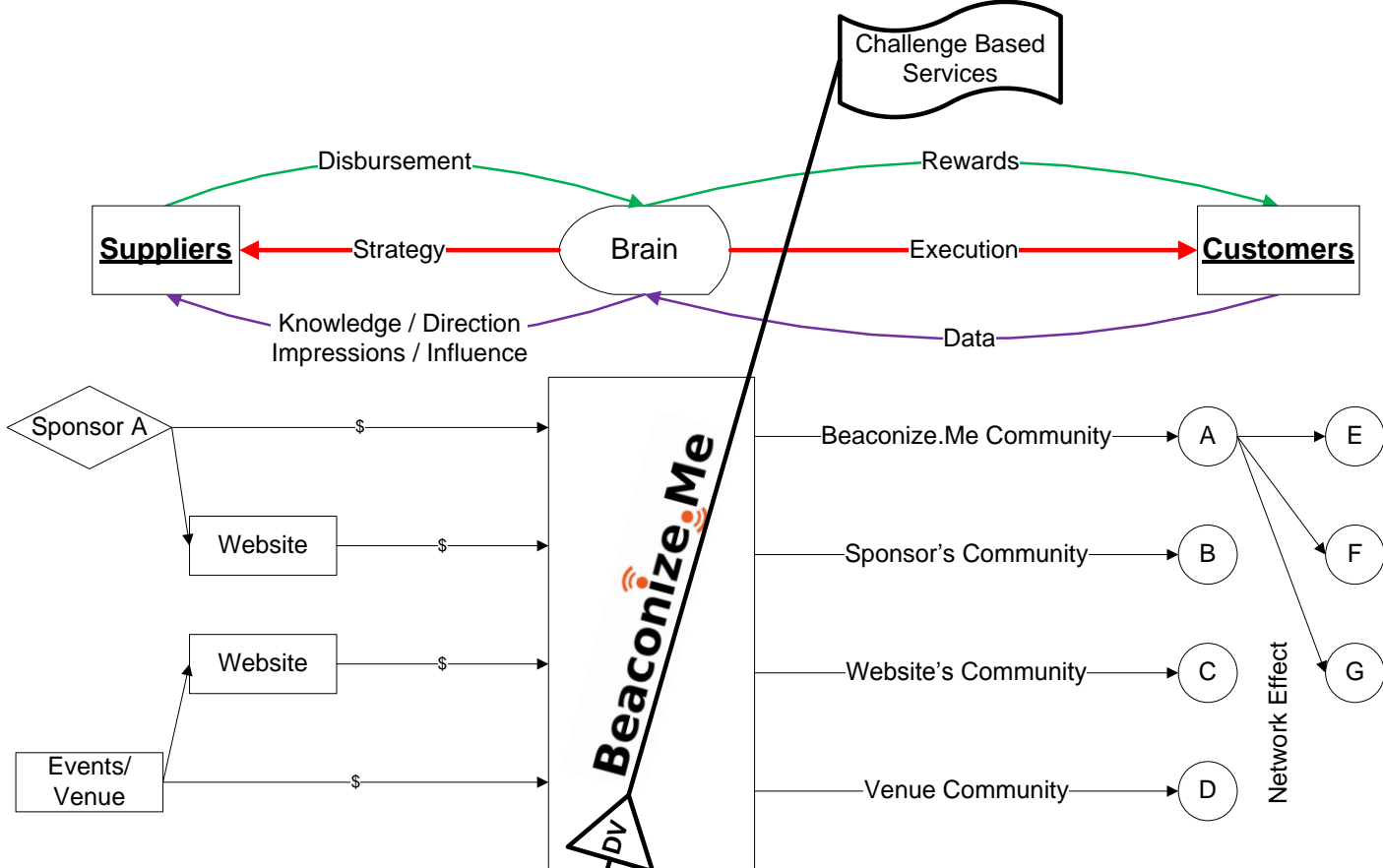
The internet, as well as the use of social media specifically, is highly integrated into our business model and operations. We will leverage and encourage the use of social media to engage current clients, attract new clients, and increase positive discussion about your brand (leading to promotion and visibility), as well increasing website traffic and overall sales.

This business will leverage bootstrap capital to its full extent as we currently have 4 pre-sale clients. The revenue generated from these pre-launch clients, in addition to the founder injected capital, will cover the minimal start-up and maintenance costs.

Our team is uniquely positioned to execute this new business model as convergence between social media, gamification and geo-tagging applications become more prominent methods of marketing and reaching new markets. We will also be applying key sources of leverage, notably: using other people's money through pre-sale clients to self-capitalize our business; innovation through the conception of this cutting edge business model; memorable and aligned branding will make us easily recognizable and highly sought after as we are geared towards achieving results for our sponsors as well as their clients; finally, in fitting with Beaconize's innovative market space, we recruit key individuals with specific skills set to further our business and better meet our clients' needs (hiring up).



## Business Model Pictogram



- Source of Bootstrap:**
- 1) Pre-sale Clients
  - 2) Self Capitalization
  - 3) Strategic Partnerships
  - 4) Leverage from clients

- Guerrilla Marketing:**
- 1) Social media platforms
  - 2) Social hooks: The confluence of the community together.
  - 3) Strategic Entry Points
  - 4) Social Events
  - 5) Community management (PR 2.0)
  - 6) Social Engagement Optimization
  - 7) Developers
  - 8) Building a great Service

## Platform for Beaconize.Me

Beaconize.Me is a digital agency blurring the lines between social media and real life interactions. We specialize in energizing your brand through Challenge Based Services. Beaconize.Me has a funnel of 6 core concepts (see below) that have been proven to incite engagement and drive performance metrics for brands, websites, and events. These 6 core principles are (1) Intrigue, (2) Community, (3) Challenge, (4) Reward, (5) Status, and (6) Metrics.

1. **Intrigue:** Content, stories, and experiences provide the hook to attract current and future client's attention. It is paramount to continually publish this content through the establish channels. Depending on your business, brand, or product content could include help topics, blogs from the key individuals, user generated content, and static media releases. *[In a nutshell... Make content and keep it fresh]*
2. **Community:** The community aspect is genuinely important in the entire end to end Beaconize.Me model. Creating a community and seeing it blossom around a brand is what we help achieve; however, management of this community is just as pivotal. *[In a nutshell... Build it and they will come, maintain it and they will love it]*
3. **Challenge:** Creating a sense of accomplishment with everything your customer does in relation to your brand is integral to retain engagement. This is the confluence of all the other principles and touches on each of differently. *[In a nutshell... Keep the clients on their feet and having fun]*
4. **Reward:** Basic concept but needs to be maintained throughout the entire users' experience. Based on the individual requirements, both monetary and non-monetary incentives can be deployed. Different levels of success will be achieved from either variant; however, if executed properly non-monetary incentives can yield higher returns on you investment. *[In a nutshell... Reward people for using your brand and for contributing]*
5. **Status:** Within your community (both online and offline) status in the eyes of your business needs to be portrayed. We can help establish a "Leaderboard" that will codify status and instill collaborative competition between different community members. *[In a nutshell... Recognize your clients for their support and interactions]*
6. **Metrics:** Measurement of what the campaign has done in terms of value creation for both the clients and the customers. This principle helps reinforce that Beaconize.Me creates value for all stakeholders we are interacting with. *[In a nutshell... Quantify what Beaconize.Me did and how it positively affected the clients]*

By combining these 6 core concepts in a defined framework, Beaconize.Me can help create a solid end-to-end process for all potential clients.



## Value Proposition

| Beaconize.Me     |             |             |             |                  |                   |                     |
|------------------|-------------|-------------|-------------|------------------|-------------------|---------------------|
| Type of Supplier | # of Cities | Interaction | Event Part. | Cost/Interaction | Value/Interaction | Revenue/Interaction |
| Sponsor          | 21          | 15000       | 200         | \$1.00           | \$20.00           | \$19.00             |
| Website          | 21          | 500         | 200         | \$0.98           | \$6.00            | \$5.02              |
| Events           | 1           | 0           | 200         | \$20.00          | \$50.00           | \$30.00             |
| Traditional      |             |             |             |                  |                   |                     |
| Type of Supplier | Cities      | Interaction | Event Part. | Cost/Interaction | Value/Interaction | Revenue/Interaction |
| Sponsor          | -           | -           | -           | \$15.00          | \$20.00           | \$5.00              |
| Website          | -           | -           | -           | \$3.00           | \$6.00            | \$3.00              |
| Events           | -           | -           | -           | \$30.00          | \$50.00           | \$20.00             |

Beaconize.Me offers customer engagement at a fraction of the cost of a traditional agency. We are able to achieve this while remaining efficient due to our challenge based services. Obtaining and filtering a multitude of potential customers for less than 1\$ for large brand is unheard of; however, with the 6 core principles Beaconize.Me has created a repeatable/scalable process that will allow this.

## Financial Model

| Supplier                        | Multiplier | Charge/X | # of X | Revenue         | Cost           | Gross Margin (\$) | Gross Margin (%) |
|---------------------------------|------------|----------|--------|-----------------|----------------|-------------------|------------------|
| Sponsor A                       | 1          | 15000    | 21     | \$315,000.00    | \$99,030.33    | \$215,969.67      | 68.56%           |
| Website                         | 10         | 1        | 500    | \$5,000.00      | -              | -                 |                  |
| Venue                           | 21         | 20       | 200    | \$84,000.00     | -              | -                 |                  |
| Sponsor A (Metrics)             | 0.5        | 45000    | 1      | \$22,500.00     | -              | -                 |                  |
| Website (Metrics)               | 0.5        | 10000    | 1      | \$5,000.00      | -              | -                 |                  |
| Event (Metrics)                 | 0.5        | 5000     | 1      | \$2,500.00      | -              | -                 |                  |
| Total                           |            |          |        | \$434,000.00    | \$99,030.33    | \$334,969.67      | 77.18%           |
| Scenarios                       |            |          |        |                 |                |                   |                  |
| Annual Volume @ 3 Sponsor/year  |            |          |        | \$1,302,000.00  | \$297,091.00   | \$1,004,909.00    | 77.18%           |
| Annual Volume @ 10 Sponsor/year |            |          |        | \$4,340,000.00  | \$990,303.33   | \$3,349,696.67    | 77.18%           |
| Annual Volume @ 20 Sponsor/year |            |          |        | \$8,680,000.00  | \$1,980,606.67 | \$6,699,393.33    | 77.18%           |
| Annual Volume @ 30 Sponsor/year |            |          |        | \$13,020,000.00 | \$2,970,910.00 | \$10,049,090.00   | 77.18%           |

Beaconize.Me is in a unique position to generate substantial value for our clients through our model compared to traditional agencies, Our value proposition presents incredible savings per customer engagement and creates high revenues. Our financial model estimates our projected growth from 3 clients to 30 at a 10 times revenue multiplier.



## Cash Conversion Cycle

### Beaconize.Me Cash Conversion Cycle

|                                | 2011              |                   |                     |                    |                    |                    |                    |                    |                    |                     |                     |                   |               |
|--------------------------------|-------------------|-------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|-------------------|---------------|
|                                | Jan               | Feb               | March               | April              | May                | June               | July               | Aug                | Sept               | Oct                 | Nov                 | Dec               |               |
| <b>Revenues</b>                |                   |                   |                     |                    |                    |                    |                    |                    |                    |                     |                     |                   |               |
| Founder Funding                | \$3,000.00        |                   |                     |                    |                    |                    |                    |                    |                    |                     |                     |                   |               |
| Sponsors (Deposit)             |                   |                   | \$236,250.00        |                    |                    |                    |                    |                    |                    |                     |                     |                   |               |
| Sponsors (City Completion)     |                   |                   | \$27,000.00         | \$27,000.00        | \$27,000.00        | \$27,000.00        | \$27,000.00        | \$27,000.00        | \$27,000.00        | \$27,000.00         |                     |                   |               |
| Sponsors (Campaign Completion) |                   |                   |                     |                    |                    |                    |                    |                    |                    | \$141,750.00        |                     |                   |               |
| Online Engagement              |                   |                   | \$45,000.00         | \$45,000.00        | \$45,000.00        | \$45,000.00        | \$45,000.00        | \$45,000.00        | \$45,000.00        | \$45,000.00         |                     |                   |               |
| Events                         |                   |                   | \$12,000.00         | \$12,000.00        | \$12,000.00        | \$12,000.00        | \$12,000.00        | \$12,000.00        | \$12,000.00        | \$12,000.00         |                     |                   |               |
| Metrics (Sponsors)             |                   |                   |                     |                    |                    |                    |                    |                    |                    | \$135,000.00        |                     |                   |               |
| Metrics (Websites)             |                   |                   |                     |                    |                    |                    |                    |                    |                    | \$300,000.00        |                     |                   |               |
| Metrics (Events)               |                   |                   |                     |                    |                    |                    |                    |                    |                    | \$105,000.00        |                     |                   |               |
| <b>Total</b>                   | <b>\$3,000.00</b> | <b>\$0.00</b>     | <b>\$320,250.00</b> | <b>\$84,000.00</b> | <b>\$84,000.00</b> | <b>\$84,000.00</b> | <b>\$84,000.00</b> | <b>\$84,000.00</b> | <b>\$84,000.00</b> | <b>\$84,000.00</b>  | <b>\$681,750.00</b> | <b>\$0.00</b>     | <b>\$0.00</b> |
| <b>Expenses</b>                |                   |                   |                     |                    |                    |                    |                    |                    |                    |                     |                     |                   |               |
| WebSite Maintenance            |                   |                   | \$5.00              | \$5.00             | \$5.00             | \$5.00             | \$5.00             | \$5.00             | \$5.00             | \$5.00              | \$5.00              | \$5.00            | \$5.00        |
| Website Design                 |                   | \$500.00          |                     |                    |                    |                    |                    |                    |                    |                     |                     |                   |               |
| Incorporation                  |                   | \$1,250.00        |                     |                    |                    |                    |                    |                    |                    |                     |                     |                   |               |
| Legal consultation             |                   |                   |                     | \$1,000.00         |                    |                    |                    |                    |                    |                     |                     |                   |               |
| Logo Design                    |                   |                   | \$200.00            |                    |                    |                    |                    |                    |                    |                     |                     |                   |               |
| Insurance                      |                   |                   | \$100.00            | \$100.00           | \$100.00           | \$100.00           | \$100.00           | \$100.00           | \$100.00           | \$100.00            | \$100.00            | \$100.00          | \$100.00      |
| Telephone                      |                   |                   | \$24.00             | \$24.00            | \$24.00            | \$24.00            | \$24.00            | \$24.00            | \$24.00            | \$24.00             | \$24.00             | \$24.00           | \$24.00       |
| Banking fee                    |                   |                   | \$36.10             | \$36.10            | \$36.10            | \$36.10            | \$36.10            | \$36.10            | \$36.10            | \$36.10             | \$36.10             | \$36.10           | \$36.10       |
| Marketing material             |                   |                   | \$500.00            |                    |                    | \$500.00           |                    |                    | \$500.00           |                     | \$500.00            |                   | \$500.00      |
| Travel                         |                   |                   | \$4,000.00          | \$4,000.00         | \$4,000.00         | \$4,000.00         | \$4,000.00         | \$4,000.00         | \$4,000.00         | \$4,000.00          | \$4,000.00          | \$4,000.00        | \$4,000.00    |
| Taxes                          | \$0.00            | \$0.00            | \$52,841.25         | \$13,860.00        | \$13,860.00        | \$13,860.00        | \$13,860.00        | \$13,860.00        | \$13,860.00        | \$112,488.75        | \$0.00              | \$0.00            | \$0.00        |
| Business Dev                   | \$0.00            | \$0.00            | \$200.00            | \$200.00           | \$200.00           | \$200.00           | \$200.00           | \$200.00           | \$200.00           | \$200.00            | \$200.00            | \$200.00          | \$200.00      |
| <b>Total</b>                   | <b>\$0.00</b>     | <b>\$1,750.00</b> | <b>\$57,906.35</b>  | <b>\$19,225.10</b> | <b>\$18,225.10</b> | <b>\$18,725.10</b> | <b>\$18,225.10</b> | <b>\$18,225.10</b> | <b>\$18,725.10</b> | <b>\$116,853.85</b> | <b>\$4,365.10</b>   | <b>\$4,865.10</b> |               |
| Cash on Hand                   | \$3,000.00        | \$1,250.00        | \$263,593.65        | \$328,368.55       | \$394,143.45       | \$459,418.35       | \$525,193.25       | \$590,968.15       | \$656,243.05       | \$1,221,139.20      | \$1,216,774.10      | \$1,211,909.00    |               |

## Leverage Techniques

Beaconize.Me is set to succeed. Having submitted proposals to 4 pre-launch clients who are very excited to collaborate with us provides us with numerous advantages. We have identified the need for our services as well as a market.

Leveraging a bootstrap capital approach, our pre-launch clients will award us with 25% of the contract cost up front. This will enable us to cover our minimal costs of operation and begin their custom campaign. As we continue to meet specific objectives at three key steps in the campaign progression, Beaconize.Me will receive 15% of the contract amount for our work. This will result in the final payment of the last 30% of the contract amount at the completion of said duration of the campaign. As Beaconize.Me is an end-to-end solution, we will also be in a position to generate specific reports for our client based on our metrics and engagement process. These analytical reports will be made available to our clients at an additional cost if they require intensive data on their users for long term positioning, strategy, or for running another Beaconize.Me campaign.


In addition to our method of payment, the innovative engagement process behind Beaconize.Me's challenge based services, coupled with the influence and networks of our clients and mentors will enable us to secure angel investment or loans/credits should we ever require an injection of capital. This being said, it is necessary to understand that Beaconize.Me is a service based company and that the cost of goods sold is negligible. Our overhead is minimal and easily covered as demonstrated in our Cash Conversion Cycle.

Furthermore, Beaconize.Me will hire the smartest individuals who understand and execute the use social networks to their own benefits. These Gen-Y individuals are in an excellent position to understand their peers and the Beaconize.Me process, as well as bringing their passions to fuel our innovative challenge based services. Beaconize.Me is also fortunate to have key mentors with varying skills sets and extensive experience in their fields. Our mentors include: Hugues Boisvert, John Shannon and Bruce Firestone.

## Contact Details

Beaconize.Me is more than happy to present our business plan to each of the judges in the Wes Nicol business plan competition. We would like to extend an invitation to contact either of the company founders to further discuss our business.

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|  | <p>Kristopher Wong<br/>P: 613-866-9764<br/>Kris@beaconize.me</p> <p>Kris is a smart, savvy, innovative, energetic, and resourceful GenYer. Currently working for a large multinational as a Business Analyst specializing in Data driven Solutions, but is looking forward to the entrepreneurial journey.</p> |
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|  | <p>Franco Varriano<br/>P: 613-889-3035<br/>franco@beaconize.me</p> <p>Franco is a horizontal learner and connector. Always be a curious student of multiple subjects, traveler of the world, and of the mind. The Social Architect at Beaconize.Me and a big believer of the power of social media. Connections can be made at a click, but relationships take a lifetime...Entrepreneurially minded, and passionate about ideas - whiteboards are his playground.</p> |
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