PDAware™ Software Company

BUSINESS PLAN

February 22, 2001

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TABLE OF CONTENTS   Page

Executive Summary

Development of PDAware™ Project Management Software began in July of 2000 and the first version was released for beta testing in January 2001. It was developed to significantly improve the way today's workforce manages projects. With the rapid growth of PDA (Personal Digital Assistant) use, the product offers tremendous advantages to professional project managers, as well as the thousands of other workers assigned the responsibility of managing projects every day.

PDAware will be positioned as a high-end software package that enables project managers to review, maintain and synchronize their project data via wireless technology. There is currently no other company that produces this type of software with the management features we've developed.

It will be packaged and sold in retail markets where PDAs are sold, sold through traditional online software vendors, sold via the PDAware company website, sold via targeted direct mail campaigns, and also sold through cooperative agreements with leading PDA manufacturers.

The potential market for the product is very promising. Palm™ Computing had sold over 8 million units as of August of 2000 with an estimated 12 million total units in the market from all manufacturers.

Our financial projection for Year 1 is a net loss after taxes of $174,000. Year 2 is projected at a net profit after taxes of $1,019,031. Year 3 is projected at a net profit after taxes of $1,165,987.

The Management Team members have strong backgrounds in both computer hardware and software development. The CEO was the former Business Development Officer for XYZ Company, the VP of Product Development was formerly the Chief Software Engineer with ABC Company, the VP of Finance was previously Controller for CDE Widgets, and the VP of Marketing was formerly the Sr. Marketing Director for EFG Software.

The $1.2 million we are seeking will be used to begin production, packaging, and marketing, and for short term capital and overhead needs. An additional $125,000 is being provided by the owner.

The Business

Business Concept
PDAware has produced a top-notch product that fills a gap in the project management market. Current PDA project management software does not come close to encompassing the features that PDAware's product does. Our software will not only allow the user to update and track progress on projects via wireless technology, but will also import project data from other popular project management software packages. The PDAware's Project Management software along with its supplemental desktop component is intuitive and full featured, and has gotten rave revues in Beta testing. The market for these handheld computers is growing quickly and appears to have great potential for future growth as well.

PDAware Project Management software offers five specific versions that, while still being totally customizable, are also specifically targeted to groups such as IT, Finance, Consulting, and Telecommunications. This specialization will make setting up new projects less time consuming because the framework is already in place. Other innovative features include the capability for saving customized formats as templates for use in other similar projects.

PDAware will be focused on new product development, as well as enhancements and upgrades to the Project Management software program. We will begin development of additional software packages to fill other needs based on our market research in the coming year. PDAware is also investigating and staying on top of new technologies and the possibility of software compatibility with other wireless devices.

Current Situation
The developers and visionaries of PDAware have been working on the product since January of 2000. The first six months included research into the project management software market and the PDA markets. The information gleaned from that research laid the foundation for the key features of PDAware. The programmers of the product began work in July of 2000 and the product went into beta testing in January of 2001. The reviews and feedback from beta testing have indicated an excellent acceptance level for the product, and therefore, funding is being sought to get the product finalized, packaged, and into the market.

Objectives
Our objectives are:
1. To hold 20% of the PM software market for the IT industry by January of 2002.
2. To see a positive ROI by January 2003.
3. To hold 20% of the PM software market for the Telecommunications industry by January of 2003.
4. To hold 20% of the PM software market for the Business and Finance services industries by January 2004.

The Market

Market Analysis
During the research phase, preliminary focus groups were conducted, as well as surveys at the National Project Management Professional Development Conference. Findings indicated that there was a significant need for a new project management software product and the added capability of the PDA link was seen as "extremely beneficial" by 79% of those surveyed.

To arrive at the number of potential buyers of project management software for PDAs, we first researched the number of PDA's currently on the market, and combined that with data on the current number of professional project managers.

As of December 2000, there had been 3.5 million PDA units sold by leading manufacturers. This number had increased from 1.3 million in the previous year. Palm™ Computing is by far the industry leader with approximately 72% of all PDA sales in 2000 (Source: NPD Intellect) With an estimated 12 million PDA units in customers' hands worldwide, the base for sales of the project management software, as well as future PDA software titles is quite large.

According to the Project Management Institute (the largest of all worldwide project management associations), current membership levels are at 71,000 thousand professional project managers worldwide. In January 2001, their overall membership had increased by 28% over the previous January. Over the past six years, membership growth has averaged 33% each year. So the number of project management positions is steadily increasing.

Growth Potential
The Project Management Institute's top 5 industry areas include:
- Computers/Software/DP   10,091
- Information Technology   9,044
- Telecommunication   6,975
- Business Management Services   4,750
- Financial Services   3,525

Using the growth of both the industries and employment within these industries as an indicator of future project management positions, the following tables show significant opportunities for future PDAware sales.

Projections for Industry Growth for 1996-2006:

Industry	Billions of Chained dollars (1992)		Change	Annual rate of change
	1996	**2006**	**1996**	**2006**
Computer and office equipment	158.8	635.6	476.8	14.9
Computer and data processing services	165.9	403.4	237.5	9.3
Electronic components and accessories	140.8	285.3	144.4	7.3
Security and commodity brokers	124.7	215.3	90.6	5.6
Communications equipment	63.1	101.0	37.9	4.8

(Source: BLS, Monthly Labor Review, November 1997)

The fastest growing occupations, 1998-2008
[Numbers in thousands of jobs]

Occupation	Employment		Change	
	1998	**2008**	**Number**	**Percent**
Computer engineers	299	622	323	108
Computer support specialists	429	869	439	102
Systems analysts	617	1,194	577	94
Database administrators	87	155	67	77

(Source: BLS Employment Projections) http://www.bls.gov/news.release/ecopro.t06.htm

Computer and data processing services industry sorted by **Percent change in employment, 1998-2008**.

Occupation	1998 employment		Projected 2008 employment		Change 1998-2008	
	Number	**Percent distribution**	**Number**	**Percent distribution**	**Number**	**Percent**
Database administrators	19,666	1.23	66,632	1.92	46,966	238.8
All other computer scientists	24,029	1.50	78,871	2.27	54,841	228.2
Computer support specialists	112,609	7.04	362,913	10.45	250,303	222.3
Computer engineers	122,010	7.63	384,223	11.07	262,214	214.9
Systems analysts	140,816	8.80	404,991	11.67	264,175	187.6
All other professional workers	33,949	2.12	97,084	2.80	63,135	186.0
All other engineers	21,723	1.36	45,479	1.31	23,755	109.4

(Source: BLS Employment Projections)
http://www.bls.gov/asp/oep/nioem/empios.asp?Type=Industry

The computer/software/data processing industry, and the information services industries make up the two largest segments of the Project Manager database (Source: PMI Fact Sheet).

Based on the data above, the percent increase in the number of employees in the top seven positions for the computer and data processing industries is projected to be 197% from 1998-2008.

Communications equipment industry sorted by **Percent change in employment, 1998-2008**.

Occupation	1998 employment		Projected 2008 employment		Change1998-2008	
	Number	Percent distribution	Number	Percent distribution	Number	Percent
All other computer scientists	127	0.05	212	0.07	85	66.4
Systems analysts	3,596	1.28	5,966	1.97	2,370	65.9
Computer support specialists	3,730	1.32	5,570	1.84	1,840	49.3
Numerical control machine tool operators and tenders, metal and plastic	118	0.04	157	0.05	39	32.7
Engineering, natural science, and computer and information systems managers	3,527	1.25	4,565	1.51	1,037	29.4
Combination machine tool setters, set-up operators, operators, and tenders, metal and plastic	212	0.08	263	0.09	50	23.8
Computer engineers	5,190	1.84	6,317	2.09	1,127	21.7
Database administrators	361	0.13	439	0.15	78	21.7
Electrical and electronic assemblers	43,917	15.60	53,433	17.68	9,516	21.7
All other engineering technicians and technologists	4,285	1.52	5,214	1.73	929	21.7

(Source: BLS) http://www.bls.gov/asp/oep/nioem/empios.asp?Type=Industry

The communications equipment industry projects an average growth of 36% in the number of employees for the top 10 positions from 1998-2008.

Services, **nec** industry sorted by **Percent change in employment, 1998-2008**

Occupation	1998 employment		Projected 2008 employment		Change, 1998-2008	
	Number	Percent distribution	Number	Percent distribution	Number	Percent
All other computer scientists	60	0.11	124	0.18	64	107.1
Systems analysts	130	0.25	268	0.39	138	106.5
Computer support specialists	738	1.42	1,371	2.00	633	85.8
Engineering, natural science, and computer and information systems managers	599	1.15	964	1.41	365	61.0
Management analysts	595	1.14	942	1.38	348	58.5
Computer engineers	182	0.35	275	0.40	93	51.5
Database administrators	124	0.24	187	0.27	64	51.4
Electrical and electronics engineers	101	0.19	149	0.22	47	46.6
All other engineers	525	1.01	768	1.12	243	46.3
All other teachers and instructors	181	0.35	260	0.38	79	43.8

(Source: BLS) http://www.bls.gov/asp/oep/nioem/empios.asp?Type=Industry

The business services industry is projected to be the fastest growing sector of the services industry, and expects an average growth of 3.6% annually according to the BLS Monthly Labor Review from November 1997.

Overall service industry growth is projected to be 66% in the number of employees for the top 10 positions from 1998-2008.

Banking and closely related functions, nec industry sorted by **Percent change in employment, 1998-2008**

Occupation	1998 employment		Projected 2008 employment		Change, 1998-2008	
	Number	Percent distribution	Number	Percent distribution	Number	Percent
All other computer scientists	268	0.19	521	0.31	253	94.6
Systems analysts	1,390	1.01	2,697	1.61	1,307	94.0
Computer support specialists	1,678	1.22	2,931	1.74	1,252	74.6
Brokerage clerks	3,606	2.62	5,597	3.33	1,991	55.2
Engineering, natural science, and computer and information systems managers	1,613	1.17	2,441	1.45	828	51.3
Management analysts	1,549	1.13	2,307	1.37	758	48.9
Legal secretaries	74	0.05	110	0.07	35	47.7
Computer engineers	309	0.22	440	0.26	131	42.3
Database administrators	228	0.17	324	0.19	96	42.3
Adjustment clerks	2,428	1.77	3,441	2.05	1,013	41.7

(Source: BLS) http://www.bls.gov/asp/oep/nioem/empios.asp?Type=Industry

The banking and finance industry projects an average growth of 59% in the number of employees for the top 10 positions from 1998-2008.

Based on these numbers, the projected percent increase in employment positions within the top 5 industries from which the highest number of project management positions come, averages 90% growth from 1998-2008.

Other PDA Project Management Usage
While professional project managers will be the initial primary market for the product, PDAware will also target small business managers and executives who are usually involved in project management as part of their jobs.

Market Segmentation
PDAware is taking a three-phase approach to market segmentation, initially targeting the high-end computing/software/data processing and information services industries as phase one. Once these markets have been penetrated, PDAware will move on to the telecommunications industry, and finally into finance and business services industries. This approach will allow our limited sales force and marketing dollars to more closely target their efforts.

Strengths
PDAware has three significant strengths.
1. The wireless PDA interface. No other product offers this interface.
2. Specialty versions for five major project management markets. Only one other competing product offers specific versions for different industries.
3. Customization by user. Three of the competing products offer a limited type of customization, but not with the capabilities of PDAware.

Weaknesses
A potential weakness for the PDA product is the current limitation of the *wireless* PDA hardware. Although this technology is spreading quickly and will improve significantly within the next 9-12 months, it could slow down the initial perceived value of the PDAware product. The number of <I>wireless</I> PDA products currently on the market is limited to approximately 15% of all units out there, but is expected to grow and be the majority within the next 3 years.

In the meantime, the PDAware product does not require wireless technology to be an effective and efficient tool, it will simply require synching the data manually via the PDA's PC linkup device if the user does not have a wireless enabled PDA.

Target Audience
According to the Project Management Institute, the profile of those working in project management is as follows:

Sex:	75% male, 25% female;
Education:	90% have college or graduate degrees;
Age:	40% are 41-50 years of age
	30% are between the ages of 31 and 40
Certified:	85% plan to obtain or already have their PMP® credential

According to PDA manufactures their typical user is:

Sex:	65% male, 35% female
Educations:	75% have college or graduate degrees
Age:	21-48
PDA Usage:	90% use their PDA for business

Competition

There are six similar project management applications available in the market. The leader is Primaproj, closely followed by Microbuilt Project, and Arteproj. Below is a table that lists competing products with a breakdown of the features most requested by project managers. While most of them have the essential software components necessary for project management, none offer connectivity to a PDA. There are also some shareware PDA project management software applications available, but these are very limited and do not offer the feature sets required by the majority of project managers.

COMPETITOR	Customizable	Targeted to an Industry	PDA link?
PrimaProj		X	
Artiproj			
Microbuilt Project	X		
TrackOut	X	X	
Ever Plan			
WebGroove Project	X		
PDAware PMS	X	X	X

Competing Software Products

PRIMAProj offers an interactive view of activities and relationships, a graphical interface**,** colored bands to organize data by activity code, resource, cost accounts, etc. It lets you define interrelated projects and project groups. Multiproject control allows users to roll up information to analyze and report on project progress. It offers scheduling and resource leveling options, and user-definable options. It shows the effect of progress on remaining work, and has multi-user capabilities, and customizable reports.

MICROBuilt PROJECT is a Windows-based collaboration tool, allowing two-way communication between everyone involved in a project and as well as data access to anyone via the internet.

Arteproj puts project planning, cost control, resource tracking, and project analysis into a single program. It uses a role-based approach to software design and implementation. It uses Windows-based interfaces, and offers separate role-based applications for project planning, resource and activity tracking, project cost control, and executive analysis and reporting. This allows for feedback on how schedule and personnel changes will impact productivity downstream—including deadlines, activity resourcing, and project costs.

Ever Plan includes interactive views, a project interface paradigm for management of projects, resource pools, codes, reports, etc. It offers hierarchical structures, inter-project relationships, cross-project resource analysis, and security. Ever Plan Professional is a multi-user application. If offers graphical manipulation on screen, so

users can customize most views and reports. There is a full range of interactive, customizable, graphical project views - tables, bar charts, linked bar charts, flow charts, hierarchy diagrams, cost curves, etc. Data can be stored and processed on any size or type of server and accessed from PC clients. Data can be stored in Open Plan compatible Dbase files or in ODBC compliant databases such as Oracle and Sybase.

Track-Out monitors timesheets, invoices and expenses for employees, teams, and departments based on time, costs, projects and tasks. Track-Out prepares 65 customizable time and cost reports & graphs by individual, team, project, activity and more. Reports or graphs can be exported or sent by e-mail. Track-Out can create invoices, expense reports or track billing and receivables. Employees can use timesheet entry tools to record and submit their time and expenses. Track-Out gives employees feedback on their targets vs productivity .

WebGroove Project provides interactive views of activities and relationships, a graphical interface**,** colored bands to organize data by activity code, resource, cost accounts, etc. It lets you define interrelated projects and project groups. Multiproject control allows users to roll up information to analyze and report on project progress. It offers scheduling and resource leveling options, and user-definable options. It shows the effect of progress on remaining work, and has multi-user capabilities, and customizable reports.

WebGroove Project/Net is Internet/Intranet server-based and is designed to work with WebGrooveProject. It uses the Internet/Intranet to process and route project information and return project status information in a series of home pages for staff, managers, executives, and each person involved in a project. Pages containing project status can be viewed using a browser and progress can be entered on forms accessed from personal project home pages.

Competing PDA Software
PalmProject tracks project time and includes cost accounting software. No desktop software is included, information is exported to Excel and Access.

Strategies

Marketing Strategies
Positioning
PDAware will initially be positioned as the premier product for project managers in the IT industries. Our strategy is to build a strong loyalty within this key market before moving on to the phase two and three markets. The product will be promoted as the most technologically advanced on the market, and the use of wireless technology will be key to achieving this image.

Pricing
The product will be priced in line with the other leading products. A pricing chart listing leading competitors' products along with PDAware is below.

Product	Unit Price	Support Agreements
Primaproj	$475	$125/yr
Artiproj	$425	$75/yr
Microbuilt Project	$435	$125/yr
TrackOut	$275	$75/yr
Ever Plan	$325	none
WebGroove Project /Network version	$425/$1899	$75/225/yr
PDAware PMS	$425	$95/yr

Promotion
We will begin promoting PDAware to the IT market through several avenues. These include:
- Special IT and Project Management Conference sponsorships and demonstrations
- Direct mail campaigns
- Print advertising campaigns
- Email and web promotional campaigns

Supplemental to these efforts will be development of the company web site, development of supporting print and electronic literature and multi-media presentations.

PDAware will be promoted heavily at the 2001 National Project Managers' Professional Development Conference in July, to begin to build product awareness in the overall project management market. A special open invitation session and cocktail reception will be held at the end of day two of the conference to introduce and demonstrate the product, focusing on it's PDA link and its benefits. Demo CDs will be placed in each attendee's seat prior to the session. This promotion will act as a practice run for two national IT conferences held in August and October of 2001 where a similar special session, demonstration, and reception will be held. While the goal of these sessions is to build brand awareness, ordering opportunities will also be available during and after conferences.

A direct mail campaign will begin immediately following the October IT conference with special time-limited pricing discounts for those on the mailing list who also attended the special demo sessions.

Print advertising campaigns will begin in July with prominent placement in the show programs, as well as in publications that will be available at the conferences. This campaign will be continue through January of 2002.

Email and web campaigns will also begin in July, with email announcements sent out to the pre-registered conference attendees notifying them of the special PDAware session and reception. A link to the PDAware web site will be included. The site will include a Flash demonstration of the PDAware concept for "successful project management." The site will *not* limit its audience to the IT market.

Distribution
The product will be initially sold through our direct sales force and company web site then gradually introduced into key software retail chains and direct mail catalogs beginning in May.

It will be available introduced into retail outlets where PDAs are sold in July.

Negotiations are also under way with the Project Management Institute to offer the product to their members at a slightly discounted price through both their website and other membership publications.

Sales Strategies
Our sales strategy is oriented toward the idea of arming the sales force with information so they completely understand both the product and the market and can hit the ground running. We will also be using the project management software within our own company, so the sales staff will have first hand knowledge of the product.

Our sales team (initially three representatives and a sales manager) will be divided by geographic territory and will be on a base salary plus commission structure. They will each go through two week-long training sessions on basic project management, as well as a week-long training session on project management needs in the IT field. (Led by a leading IT project manager.)

Special product training will also be done for retail merchants.

Sales Forecasts
We are forecasting the following sales for the first twelve months.

Source of sale	Units Sold	Revenue from Unit Sales
1st Quarter	287	$121,975
2nd Quarter	525	$223,125
3rd Quarter	785	$217,000
4th Quarter	1177	$528,179
TOTALs	2597	$1,062,325.00
Support Contracts		$61,679
With support contracts		$1,124,004.00

We are projecting that 25% of units sold will also include support contracts, which will increase projected revenues during the first 12 months by **$61,679**.

Strategic Alliances

PDAware has strategically aligned itself with the Project Management Institute to be the software vendor of choice for their members. The product will be offered to members at 35% off the retail price from August 2001 through December of 2001.

The Management Structure

The management team for PDAware is a diverse group with strong skills in technology, marketing and sales, finance and operations. Our primary criteria when filling these executive positions was extraordinary past achievement.

Key Players

Joe Schmoe –CEO

Mr. Schmoe brings more than 25 years of marketing and executive management expertise in growing businesses at leading companies. Immediately prior to PDAware Mr. Schmoe was CEO of XYZ Corporation. While there he led the worldwide widget marketing group, a multi-billion dollar enterprise that is currently ranked first in its industry. Mr. Schmoe also successfully reorganized the company, streamlining operations and improving profitability.

Mr. Schmoe had previously spent seven years at Ablesoft, Inc. as COO. He was responsible for the development and launch of numerous successful products in growing markets and new business categories for Ablesoft. He helped drive revenues from more than $3 billion to more than $12 billion. Under his guidance, the company was named the most-respected brand names in America in 1996 and 1997.

He holds both a Bachelor of Science in Industrial Engineering and a Bachelor of Science in Management from Northwestern.

Frederick Flintstone –COO

Fred Flintstone was brought in a COO in January 2001. As COO, Mr. Flintstone's mission is to establish PDAware's leadership in the worldwide market.

Mr. Flintstone was most recently senior vice president of the global customer service organization at EverGravel, Inc. His responsibilities included customer service for all of EverGravel's Large Boulder Operations. Prior to his worldwide service role, Mr. Flintstone was responsible for EverGravel's worldwide Enterprise Sales and Service organization.

Mr. Flintstone has held a variety of sales and marketing management positions at including vice president of EverGravel's North America System Sales, vice president and general manager for EverGravel's bouldernetworking product group, and a director of marketing with responsibility for key gravel product lines.

Mr. Flintstone holds an MBA from the University of North Carolina at Chapel Hill and a degree in Business, with honors, from Michigan State University.

Ricky Ricardo –VP Product Development

Ricky Ricardo was named to the Palm™, Inc. executive team in August 2000, as VP of Business Development. A 13-year veteran of ABCSoftware Corporation, Mr. Kessler was most recently chief software engineer with ABCSoftware's global development team. Prior to his worldwide development role, Mr. Kessler was responsible for ABCSoftware's worldwide business development group.

He has held a variety of engineering management positions other Fortune 500 companies, including vice president of development at North America Software Sales with responsibility for key network communication product lines.

Mr. Ricardo holds an MBA from the University of California at Berkeley and a degree in Business, with honors, from San Jose State University.

Jane Doeseski –VP of Marketing

Jane Doeseski is PDAware's VP of Marketing. She joined after nine years at EFG Software, Inc., where she served most recently as Senior Marketing Director. At EFG, she was responsible for creating new strategic partnerships and also for creating a brand awareness for a $500 million joint venture between Acme, A1business, and others. Previously, she served as Vice President at JKL, managing regional business development, marketing and sales teams. Doeseski also did marketing and consulting for BCD and CDE consulting.
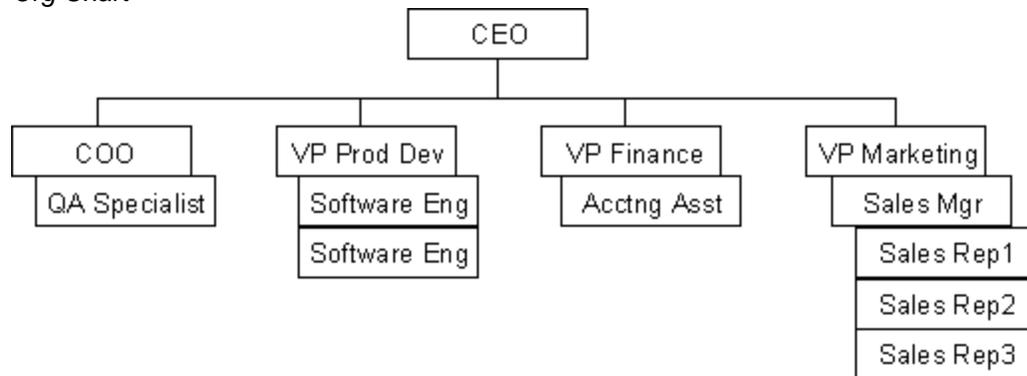
Doeseski holds an MBA degree from the Duke University.

Jon Smyth –VP Finance

Jon Smyth joined PDAware, Inc. as Vice President of Finance in September 2000. He manages the company's finances and has established the financial systems. He worked with his former employer, CDE Widgets, for over 12 years, holding numerous executive finance management positions as CDE grew from a $200 million to a $2 billion company. Most recently working as Controller of CDE, he was an integral player in executing and integrating numerous acquisitions. He also spearheaded the development of the cash management and capital infrastructure, and streamlined the financial planning process which led to significant improvements in the internal systems architecture.

Mr. Smyth has a diverse financial background, with experience at both start-up and large corporations. He graduated Summa Cum Laude from Berkley with a degree in Accounting. She also holds an MBA from Santa Clara University.

Org Chart

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                          │   CEO    │
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   ┌────┴─────┐ ┌──┴────────┐ ┌┴─────────┐ ┌┴─────────────┐
   │   COO    │ │VP Prod Dev│ │VP Finance│ │VP Marketing  │
   ├──────────┤ ├───────────┤ ├──────────┤ ├──────────────┤
   │QA Special│ │Software Eng│ │Acctng Asst│ │Sales Mgr    │
   │   ist    │ ├───────────┤ └──────────┘ ├──────────────┤
   └──────────┘ │Software Eng│             │Sales Rep1    │
                └───────────┘              ├──────────────┤
                                           │Sales Rep2    │
                                           ├──────────────┤
                                           │Sales Rep3    │
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Staffing Costs

Title	Salary	W/Benefits
CEO	$228,000	$273,600
COO	$180,000	$216,000
VP Product Development	$96,000	$115,200
Software Engineer II	$51,200	$61,440
Software Engineer I	$51,200	$61,440
QA Specialist	$51,200	$61,440
VP Marketing	$80,000	$96,000
Sales Manager	$56,000	$67,200
Sales Rep 1 (salary is plus commissions)	$20,000	$24,000
Sales Rep 2 (salary is plus commissions)	$20,000	$24,000
Sales Rep 3 (salary is plus commissions)	$20,000	$24,000
VP Finance	$100,000	$120,000
Accounting Assistant	$22,400	$26,880
	$976,000.00	$1,171,200.00

(* 20% added for employee benefits)
(These are salary levels where we will be at the end of year one.)

The Financial Plan

Financial Needs Summary
Investment funding is needed for capital expenses and operating expenses for the first year of operation.

Computer/Electronic Equipment	$90,000
Office Furniture	$16,000
Marketing Materials/Promotions	$215,000
Office Lease (for first year)	$60,000
Utilities	$12,000
Inventory/Packaging Setup	$35,000
Salaries/benefits	$780,000
TOTAL Financing Needed:	$1,208,000.00

Revenue Model
PDAware's revenue will be brought in through product sales, upgrades, and annual renewals of support contracts. Future avenues for revenue include product training workshops and a bi-monthly magazine.

Assumptions and Comments

- The financial statements for year one are based on projections for sales for Phase one (IT market).
- Sales from August 2001-December 2001 reflect an estimated 450 units to be sold to the PMI at a 35% reduced cost per unit.
- Phase two will begin in January of 2002, and phase three in July of 2002.
- Sales projections for the first year are $1.2 million.
- Sales commissions were figured on 80% of total sales. (Assuming that 20% of units sold will come from website sales and other direct response sales.) Commission rate is 10%.

Financial Statements follow in the Appendices of this business plan.

Appendices

Appendix A – Financial Statements - See Microsoft Excel Files

Appendix B – Implementation Schedule and Milestones

Appendix C – Research and Development

Appendix D – Exit Strategy

Appendix B

Implementation Schedule/Milestones

Phase 1: IT Market	*January 2001*
Beta Testing Complete	March 2001
Product Availability	March 2001
Sales staff training	March 2001
Initial Sales Activities	March 2001
Retail Training	May 2001
Software Retail Sales	May 2001
Direct Mail Campaign	May 2001
Email Campaign	May 2001
Web Site Up/Promo Campaign	May 2001
PDA Retail	July 2001
PMI Promotion	July 2001
PMPDC Sponsorship	July 2001
Print Advertising Campaign	July 2001
IT National Conference Sponsorship	August 2001
IT National Conference Sponsorship	October 2001
IT Print Advertising Campaign ends	January 2002

Phase 2: Telecommunications Market	*January 2002*
Research into new product lines	January 2002
New product development begins	July 2002
Sales staff training	January 2002
Marketing/Promotion Campaigns	February 2002

Phase 3: Finance & Business Services Markets	*July 2002*
Sales staff training	August 2002
Marketing/Promotion Campaigns	September 2002
Research into new product lines	January 2003
New product development begins	July 2003

Appendix C

Research and Development
Significant effort will be placed on research for future product development to continue to build on the PDAware product line. Research will be done both internally through our marketing department and through professional researching firms to determine customer needs outside of our current product offering.

Research into new product demands will begin in January of 2002. The new product development cycle will be scheduled to begin in July 2002 based on findings from the January research.

Appendix D

Exit Strategy
PDAware's exit strategy is to move toward an IPO, depending upon the current market, or acquisition by a larger software producer.