



*Consultants 2 Go*

**Business Plan**

As of December 2007

**Sandra Webster**

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## 1 Executive Summary

Consultants 2 Go<sup>®</sup> LLC (also known as C2G) is a minority/women-owned business that provides companies with high quality, cost-effective management consultation services focused on increasing client revenue and enhancing profitability. Company headquarters are in Newark, New Jersey with additional locations in Berkeley Heights, New Jersey and Brooklyn, New York. Since inception in 2002, C2G has offered a unique combination of technology and marketing capabilities dedicated to addressing the customers' most challenging business problems.

C2G's difference in the marketplace is our ability to utilize statistical data to design, develop and execute marketing and sales solutions as well as drive customer adoption of these new capabilities through creative marketing approaches. We believe that breakthrough strategies and rigorous project management can achieve superior marketing power in the most compressed timeframes. Our marketing services include the C2G Professional Services Division (interim resources), C2G Marketing Solutions (outsourced projects), C2G Analytics (data mining/analytics), and C2G Electronic Payments Practice (automatic bill payment services).

Our primary objective is to make an equal and fair profit in the business-to-business (B2B) management consulting services industry. This objective can be achieved through the implementation of sales and productivity strategies that result in attaining annual projected revenue streams and gross profit margins. Carefully defined specific annual secondary objectives such as market segment sales targets and consultant recruitment goals enable Consultants 2 Go to meet the primary objective.

Consulting services are provided on an interim resource basis or as a fully outsourced project. Our existing customer base includes Fortune 500 and mid-size clients in the financial services, telecommunication, and insurance industries. All C2G consultants are seasoned professionals with over ten years of experience with reputable U.S.-based global companies and have extensive knowledge of financial services, telecommunications, information technology, and retail business environments. The superior quality of work and commitment to service provided by Consultants 2 Go is rarely matched by other players in the marketing interim resources field. Placements are frequently extended on projects, which is a testament to the competency of our consultants.

Our ability to succeed is enhanced by a focus on the identification of internal and external critical success factors. Selling and marketing power, developing visibility to generate new business leads, high-quality service and customer satisfaction, creating multiple opportunities from a single line of expertise, maintaining a key management team, and fostering strong customer relationships are elements of our business philosophy and within our control. In addition, C2G monitors the current U.S. business environment and develops strategy accordingly. We anticipate that C2G will benefit during this unstable economic period since consulting firms offer a variable, cost-effective short-term staffing solution. C2G can provide management and marketing support to those companies with limited resources due to significant cuts.

Consultants 2 Go successfully competes with both individual consultants and large consulting firms providing marketing and sales expertise. Through careful analysis of our strengths, weaknesses, and industry, C2G has identified the most promising and realistic business opportunities. These include repeat business from existing companies, geographic expansion, subcontracting ventures, and a stronger push into the mid-size market. Our competitive position is supported through use of sales and marketing collateral, qualified consultants, and current technology. Pricing varies based on the project and

consultant experience, but always remains competitive from both a human resources and sales perspective.

C2G's original business plan was created on the basis of 3 months of market research, conducted June 2002 through August 2002. Results determined that the size and growth of the market and geographical segments, customer needs, perception, and buying behavior trends were rising and expected to continue increasing for the next five years. Additionally, C2G projected an upswing in the economy by the third quarter of 2003. Based on the encouraging conclusions reached during our analysis, C2G commenced operations in November 2002.

Reaching our five year milestone, updated research shows that Consultants 2 Go continues to compete successfully, is able to fill a niche with its marketing and analytic services, and the consulting industry outlook remains optimistic. C2G's annual gross revenues continue to steadily increase as our client base and consultant pool also grow. 2007 gross revenue is projected at \$1,400,000, which represents a 37% increase from 2006.

Consultants 2 Go now looks to the future. We envision becoming a \$10 million dollar firm within five years. With a targeted development plan, C2G plans to implement an aggressive growth strategy aimed at both securing additional Fortune 500 and mid-size clients as well as adding consultants on assignment. A focus on direct 1-1 sales, industry networking, marketing collateral, and company infrastructure will support these goals. In addition, C2G is currently re-evaluating our employment model to determine if the addition of full-time, paid personnel would have a positive financial impact on C2G operations.

In order to fulfill this vision, Consultants 2 Go is re-evaluating our existing business model—one that supports use of only freelance consultants. Hiring full-time business development managers and a full-time recruiter could significantly improve our efforts to aggressively seek business in our target markets. In addition, we are poised to secure additional consultants. High producing sales professionals typically have a strong employee mentality and value the security offered with medical and retirement benefits. However, in order implement this new model, C2G will need access to sufficient funding to maintain payroll and related expenses. We are actively evaluating funding opportunities.

Consultants 2 Go is certified by the Women's Business Enterprise National Council (WBENC), New York and New Jersey Minority Supplier Development Council, and New Jersey Commerce Small Business Enterprise and Women-Owned Business Enterprise (SBE/WBE). We are active members of the National Association of Women Business Owners (NAWBO).

The following business plan presents a detailed analysis of our objectives, services, target markets, marketing strategy, human resources, and financial situation. Together, these individual components offer a thorough presentation of Consultants 2 Go's business structure, philosophy, and vision for 2007 and beyond.

### **1.1 Objectives**

Consultants 2 Go's primary objective is to make an equal and fair profit in the business-to-business (B2B) management consulting services industry. This objective can be achieved through the implementation of sales and productivity strategies that result in attaining annual projected revenue streams and gross profit margins. Based on market research, the industry average margin is between 25-30%. C2G operates most profitably closer to a 30% margin.

In addition, the primary objective is met by meeting secondary objectives established on an annual basis. In 2008, these include:

1. Earn a projected gross revenue of \$2,500,000
2. Acquire and retain 5 Fortune 500 clients
3. Acquire and retain 5 mid-size clients
4. Add consultants on assignment to support goals 2 and 3.
5. Hire one full-time Business Development Manager
6. Hire one full-time Recruiter

## 1.2 Mission Statement

Consultants 2 Go's mission is to deliver extraordinary results at an affordable price. We offer Fortune 500 and mid-size companies high-quality and cost-effective consulting services on an interim or outsourced basis delivered through our team of consultants, each with 10+ years experience in their area of expertise. We believe that strategy combined with rigorous project management can achieve superior marketing power.

## 1.3 Vision Statement

Within 5 years, build Consultants 2 Go into a \$10 million national consulting firm that specializes in providing marketing and analytic support to Fortune 500 and mid-size financial services, telecommunication, insurance, and pharmaceutical companies.

## 1.4 Critical Success Factors

Consultants 2 Go has examined the internal and external factors that are essential to the company's success. The following two sections provide a detailed explanation of these factors.

### 1.4.1 Internal Factors

Through strategic use of human resources and business philosophy, C2G controls several basic internal factors that are fundamental to its success. These are:

1. **Selling and Marketing Power.** As a management consulting services provider, Consultants 2 Go has converted an excellent industry reputation into a marketable brand, assuring clients that their knowledge-base becomes their intellectual property and also yields revenue. C2G's services are attractive to clients and they enable the company to maintain a targeted percentage of Fortune 500 clients in the Financial Services, Telecommunications, and Insurance markets, while simultaneously growing a mid-size client base. By including mid-size companies in their client base, C2G has the opportunity to increase profits while being protected against economic fluctuations that may impact one industry or market segment more than another.

C2G offers competitive pricing and high-quality services that not only draw profits for the company but create value for their customers. C2G offers clients its Top Executives (Principals) and Management Analysts/Consultants (freelance staff) whose roles correspond with those broadly described within the consulting industry as follows\* :

- **Top executives**, the largest managerial occupation in the consulting industry, include both the highest level managers (e.g., chief executive officers, vice presidents) and top managers with diverse duties. In consulting firms, top executives with partial ownership and profit-sharing privileges might be referred to as partners. Top-level managers or partners shape company policy, often with the help of other executives or a board of directors. They oversee all company activities, coordinate the duties of subordinate executives and managers, and often bear ultimate responsibility for a firm's performance. Mid-level managers or partners may oversee all the activities of one department or all the activities of one or more clients.
- **Management analysts, also called management consultants**, is the largest occupation in the management consulting industry. Their work is quite varied, depending on the nature of the project and the client's needs. In general, consultants study and analyze business-related problems and recommend solutions, synthesizing information from many sources. Solutions can include overhauling a client's computer systems, offering early retirement incentives to middle managers, recommending a switch in health plans, improving just-in-time inventory systems, hiring public relations firms, or selling troublesome parts of businesses. Because of the varied nature of these jobs, firms hire consultants with diverse backgrounds, such as engineering, finance, actuarial science, chemistry, and business. Many firms require consultants to have an MBA, whereas others hire those who have only a bachelor's degree. Many consultants have experience in other industries prior to entering management consulting work.

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\* Source: Bureau of Labor Statistics, U.S. Department of Labor, "Career Guide to Industries, 2006-07 Edition, Management, Scientific, and Technical Consulting services. Available at <<http://www.bls.gov/oco/cg/cgs037.htm>>.

2. **Developing visibility to generate new business leads.** Leveraging affiliations with reputable past business associates and current networking associations is a necessity for any consulting firm and remains a priority for C2G. The firm must continue to develop strategic relationships with companies in New Jersey and New York as well as individual customers. C2G will leverage the consultants' MBE/WBE certifications through various forums and associations that are linked to Fortune 500 and mid-size firms, as a means of gaining visibility and new business for the company. In 2007, C2G participated in fourteen conferences and four workshops. Increased visibility was secured through twelve specific public relations activities, including mass circulation print media and a network television appearance.

C2G's sales force will also help acquire new clients. C2G's contacts and leads will help the team gain entry to new corporations. The first placement of a consultant will serve as a feeder for new leads within the company. Acquiring leads within the insurance industry and mid-size companies and effectively marketing to these sectors is a top priority for C2G.

C2G will also subcontract services to specific, targeted vendors such as staffing companies and advertising agencies.

3. **High-quality service and customer satisfaction.** Because all services are guaranteed, C2G and its consultants must do what customers want and do it well. Selecting the best consultants to represent C2G is necessary to maintain this level of service. C2G has a demonstrated track record of success in this area, and remains committed to securing outstanding consultants for its clients. Long-term customer satisfaction is critical to the survival of the company.
4. **Create multiple opportunities from a single line of expertise.** Consultants 2 Go is able to leverage a single pool of expertise into multiple revenue generation opportunities: business development, market development, market intelligence, data mining and channel development on a global scale as well as sales assistance for global companies in the U.S. market.
5. **Key management team.** The right management team is integral and must have a strong foundation in marketing, management, finance, and services development. The company is confident in its team.
6. **Relationships: Developing Loyal, Repeat Customers – Retainers.** C2G's consultants have diverse specialties who serve various markets with extensive and diverse needs. This leaves plenty of opportunity for C2G to continue to grow their established niche, while also gaining a more secure foothold within the insurance industry and the large pool of mid-size companies. Customers in the consulting industry tend to be loyal, relying on the same consultant for future needs once a satisfactory relationship has been established.

#### 1.4.2 External Factors: The Business Environment\*

The U.S. marketplace has gone through a radical process of change from a domestic-based economy to a more global framework. This change affects many areas of enterprise, including conservative industries such as financial services, utilities, publications, real estate, healthcare, and insurance. The new business environment brings with it tremendous marketing opportunities, as does the enduring climate of

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\* Sources: America's Vulnerable Economy," *The Economist*, 11/17/2007, p. 13; "Getting Worried Downtown," *The Economist*, 11/17/2007, pp. 80-82; and Witchens, Dan. "Most U.S. Mid-Sized Companies Not Hiring: Survey," *Reuters* 2007. Available at <http://www.reuters.com/article/ousiv/idUSN2728868420070730?pageNumber=2&sp=true> accessed 11/26/07.

management shake-ups, mergers and acquisitions, new industries, and new markets, all of which create variable customer profiles. To boost their earnings in the new business environment, older, established firms continue to need both innovative products and marketing strategies. Yet, because of the risks associated with new products, established businesses as well as newer ones may be reluctant to pay fixed costs of salaries and benefits associated with bringing on new staff to attain company goals. Consultants 2 Go is ideally situated to capitalize on these conditions, offering talented and seasoned consultants whom businesses may treat as variable cost centers within their overall or project budgets.

A complication within this picture is the specter of an economic slowdown within the coming year. According to a Reuters' survey, more than half of U.S. mid-size companies are *not* planning to hire over the next 12 months or may lay people off. Other surveys, however, report a more optimistic outlook, with only 9 percent of mid-size companies forecasting a decline, 47 percent expecting to hire, and 44 percent anticipating that their workforce will remain the same. In the same report, a full two-thirds of companies said that they expected their revenue to grow.

C2G anticipates that this volatile period may be ideal for consulting firms that offer a variable, cost-effective labor pool to satisfy short-term staffing requirements. C2G remains confident that companies of all sizes will rely on consultants to produce results, attain company goals, and save on fixed costs. C2G will continue to proactively focus on establishing relationships with all entities and individual customers as prospective business partners, capitalizing on projected economic conditions.

## **2 About Consultants 2 Go**

### **2.1 Company Ownership**

Consultants 2 Go is a minority, women-owned LLC based in New Jersey and owned by its principal investors and principal operators, Sandi Webster and Peggy McHale. Additional strategic guidance is provided by an informal advisory board whose members include:

- Dawn Saitta Former President of RVA Consulting
- Jim Hufnagel Retired Senior Executive from AT&T and CSC
- Stephen Johns Former Senior Director of Human Resources, Sanofi Aventis
- Margaret Barrett Former President, Consumer Division, Bank of Montreal and GE Capital

### **2.2 Company Location**

C2G's headquarters is located at 105 Lock Street, Suite 309 in Newark, NJ 07103. Additional locations remain in Berkeley Heights, NJ with a functional location in Brooklyn, NY.

## **3 Services**

Consultants 2 Go is a management consulting firm that provides clients with experienced consultants to help them improve bottom-line profitability by leveraging a unique combination of analytic, marketing and sales experience to address the most challenging business.

The company's strength is the ability to provide mid- and high-level project leaders who can design, develop and execute solutions through creative segmentation and marketing approaches.

### 3.1 Service Description

Our marketing services include:

- C2G Professional Services Division: Provides highly qualified marketing and analytic specialists on an interim basis. Consultants can be on site within the company's work environment or work virtually, depending on the need of the client.
- C2G Marketing Solutions: Provide consultants who work on a totally outsourced project that can include marketing strategy and plans, market analysis, product launches, campaign management and a wide array of marketing services.
- C2G Analytics: Offer data mining/analytics expertise that complements the marketing group by providing the statistical analysis and back-end tracking to assess performance and refine segmentation strategies. Consultants deliver recommendations that ensure company goals, budget and resource capabilities are met.
- C2G Electronic Payments Practice: Provide strategic development and implementation of automatic bill payment services.

#### 3.1.2 Case Studies

As a company, Consultants 2 Go has the experience and ability to sell and package its services in various ways that allow clients to choose their preferred benefit(s).

1. Retainer Consulting
2. Project Consulting
3. Feasibility Studies
4. Strategic Analysis and Reports
5. Data Segmentation
6. Staff Supplementation

The following success stories exemplify the range of services that Consultants 2 Go offers.

- **Professional Services**

**BUSINESS ISSUE:** The Client needed a professional to fill in for a senior manager who went on emergency maternity leave for 4 months without any transition period.

**THE CLIENT ASKED FOR** a tenured manager who would be able to easily grasp the Consumer Travel business and "hit the ground running." The consultant would have full responsibility for negotiating contracts and discounts with hotels, cruises and land vacation business partners who participated in the Membership Rewards program.

**WE GAVE THEM** a senior consultant who was able to organize and deliver over 120 contracts in 3 months. As a result, the senior manager was able to return to her position with no job interruption.

- **Marketing Solutions**

**BUSINESS ISSUE:** The Client had a product with tremendous transactional volume but with little market intelligence and customer data. They wanted to better understand the users of this service and what their needs were.

**THE CLIENT ASKED FOR** a complete solution from data mining, customer segmentation, market strategy development, and results tracking. **They needed it ASAP.**

**WE GAVE THEM** a comprehensive assessment of their total base of users for this product. We profiled these customers utilizing sophisticated modeling tools and developed a workable segmentation construct that they used to target their customer, find new customers and develop new offers. We developed an effective market strategy to grow the business. We tracked the results of all marketing campaigns and measured performance and ROI for marketing dollars spent.

- **Analytics**

**BUSINESS ISSUE:** A large Telecom client was planning to launch a new enhancement to their product. However, they were unsure of the revenue impact on this product.

**THE CLIENT ASKED FOR** a trial to measure the impact as quickly as possible.

**WE GAVE THEM** a statistically valid trial that measured the impact of the feature on the test group vs. the control. As a result of the work, the company redesigned the implementation plan and **we saved the company over \$12 million in revenue suppression.** The entire project took **less than 6 weeks** from approval to results analysis.

- **Electronic Payments Practice**

**BUSINESS ISSUE:** The Client wanted to launch an ABP program to increase overall activation and usage on their Consumer and Small Business Check Card to improve their revenue. They needed to overcome barriers regarding security and ingrained behavior by their customers.

**THE CLIENT ASKED FOR** a complete solution from strategy, customer segmentation, market planning, creative design and partnership development.

**WE GAVE THEM** an integrated Check Card ABP program. We developed the Market Plan, segmented their base for better targeting and response, designed a fresh creative approach and enlisted 27 partners for their ongoing campaign. A 10% increase in revenue was projected.

- **Process Management**

**BUSINESS ISSUE:** The Client needed a comprehensive process map of their telemarketing process. The main objective for this project was to document and enhance their existing program management process. As a result of this project, the Telemarketing Department improved the quality of delivery without sacrificing speed to market required by their business partners. As a part of this endeavor, the client also needed to understand the linkages with their business unit partners as well as with vendor suppliers to identify and close gaps in the process.

**THE CLIENT ASKED FOR** Consultants 2 Go to do the following:

- Provide a telemarketing process map
- Review, update or create forms used in the process
- Train telemarketing employees on enhanced process
- Provide training toolkit (e.g. checklists, job aids)

In addition to what the Client asked for, Consultants 2 Go also participated in and managed a current project to gain real-time experience and identify gaps and linkages.

**WE GAVE THEM:**

**Process:** Final Process Map from program inception through implementation, Master Schedule template, Channel Brief template, job aids and checklist.

**Training Development:** Leader’s guide, training materials, slides, complete course development, and scripting, including one pilot session. Training Delivery included “train the trainer” sessions. Program was rolled out to staff and suppliers/vendors.

**Online Program Development and Support:** Developed online tools and templates that enabled all personnel and their partners/suppliers to utilize this process to improve efficiency of program management throughout the organization.

**3.1.3 Clients**

Consultants 2 Go has attracted a number of clients—Fortune 500 and mid-size companies—from diverse industries.

Fortune 500 Clients:

- AAA
- Accenture
- American Express
- AOL
- AT&T<sup>†</sup>
- Cingular
- MasterCard
- MetLife
- SBI.Razorfish
- UMDNJ
- Verizon
- Vonage
- Wells Fargo Bank

Mid-Size Clients:

- CAST Software
- PetStyle
- RVA Consulting
- StarCite
- DFA Capital Management

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<sup>†</sup>Merged with BellSouth in December 2006

In 2007, our primary clients were American Express, CAST Software, MasterCard, PetStyle, RVA Consulting, StarCite, Verizon, and Vonage. The firm's growth has been driven by exceptional performance. C2G will need to quickly deepen relationships with other existing clients and generate referrals to new ones.

## **3.2 Competitive Comparison**

Consultants 2 Go's competitors are individual consultants and large consulting firms that provide marketing and sales expertise. Many of the company's competitors are also prospective business partners for staff supplementation.

### **3.2.1 SWOT Analysis**

#### Business strengths:

- No other competitor currently bridges the gap between IT and marketing
- Excellent track record of delivering services on time and within budget
- Good roster of Fortune 500 clients who are impressed with service delivery
- Proven ability to operate nationally (CA and WA)
- Consistently delivers high-quality projects at prices that are up to one-half of larger competitors playing in the same space.
- Average 10 years expertise in all aspects of the telecom or financial services industries for each principal and consultant who works with C2G
- Managers have all levels of expertise in both project and people management
- Has built name recognition as experts in Bill Payment and Analytics

#### Business weaknesses:

- Interim resources have a short sales cycle but is a volume business
- Outsourced services have a long sales cycle (3-6 months)
- Margin being depressed by companies
- Must subcontract within some companies—markup placed on top of C2G rates
- Principals must currently do delivery in order to maintain profitability
- Need to a good mix of interim billing (approx. 65%) and higher margin projects (35%)
- Company size gives impression that it can't handle larger scale projects
- Company dependent on expertise of outside consultants to deliver projects

#### Business opportunities:

- Opportunity for repeat business from existing customers
- Expand nationally and internationally
- Growth in bill payment products and services
- Join organizations with decision makers
- Subcontracting opportunities with competitors or other vendors not offering exactly the same services (staffing, agency, etc.)

Business threats:

- Mergers in financial services and telecom industries impact the ability to do business
- Growth of new player (McKinley) within the NY/NJ market
- Clients' internal staffs feel we are a threat to their jobs
- Other independent consultants willing to work at lower rates
- Slow payment by subcontractor
- Budget cuts usually impact marketing and analytics consultants first
- Bundling of contracts to one or two key suppliers at Fortune 500 companies

Companies choosing to do business development, channel development, and in-house marketing will seek Consultants 2 Go to deliver the following value creations:

Consulting/Market Researchers/Traders/Suppliers:

- Improved communication
- Access to new markets
- Broader products offering
- Lower cost of doing business
- New ways of adding value

Technology Providers/Manufacturers:

- Lower cost of sales
- Access to niche markets
- Better cost of identification

New business models (outsourcing alliances)

### **3.3 Sales Literature**

- General tri-fold corporate brochure that establishes positioning. Brochure needs reprinting.
- Design of a new, full-page, glossy color brochure for Fortune 500 clients is in progress.
- PowerPoint presentations given to sales force.
- An enhanced website was developed in 2006 and updated to a Web 2.0 platform in 2007. This is the "electronic brochure" for lead generation and helps to defray mailing costs. It has become a resource for the prospective clients, established client base as well as for consultants looking to sign with C2G.
  - The most distinctive enhancement is the ability for prospective consultants to submit their resumes online.
  - Look and feel was updated to reflect a larger company.
  - List of marketing services was updated to reflect interim resourcing.

### **3.4 Sourcing**

Qualified consultants, specifically the interim resource business, currently provide the key fulfillment and delivery. The principals of the business are also in delivery mode on special projects but have a goal to move completely into business management. The core value of C2G consultants is professional expertise provided by a combination of experience, smart and hard work, discipline, improvements, and education (in that order).

Consultants 2 Go employs and recruits qualified professionals for freelance positions in all aspects of marketing, presentation, training and report development. C2G can afford to sub-contract these services without risking the core values provided to clients.

### **3.5 Technology**

Consultants 2 Go maintains the latest Windows capabilities including:

1. Internet facilities for working with clients directly through email delivery of drafts and information. Broadband or DSL lines are installed at all locations.
2. Microsoft Office applications for delivery of regular retainer reports, project output reports, marketing materials, and market research reports. Any other applications will be added as necessary. Any Mac capabilities will be outsourced.
3. A contact database was created to maintain important client and prospect contact information. An update to the data retrieval programming is currently in progress.
4. A resume database was created to maintain and store potential consultant information.
5. The company website has recently been updated to a Web 2.0 platform, which will allow efficient updating and interactive features.

The principals have made a commitment to keep C2G operations current with the latest technological developments. A portion of each year's revenue should be devoted to upgrades and software.

## **4 Market Analysis Summary\***

Consultants 2 Go provides consulting services that may be included in the following 2002 NAICS industry classifications:

5416	Management, Scientific, and Technical Consulting Services
541610	Management Consulting Services
541611	Administrative Management & General Management Consulting
541613	Marketing Consulting Services
541690	Other Scientific and Consulting Services
5418	Advertising and Relating Services

The management, scientific, and technical consulting services industry has grown significantly over the past decades and expected to remain one of the fastest growing in the US economy through 2014. In August 2007, approximately 1,006,500 wage and salary workers were employed. Of these, about 790,000 were classified as just management consultants. A 2004 U.S. Department of Labor industry analysis estimated that 25 percent of all workers in this industry are self-employed, and that in addition to professional and related workers, office and administrative support positions account for 26 percent of sector employment.

Generally, consultants are well-educated with at least a bachelor's degree, have significant related experience, and high ethical standards.

The vast majority of establishments in the industry are fairly small, employing fewer than 5 workers. Self-employed individuals operate many of these small firms. Despite the prevalence of small firms and self-employed workers, large firms tend to dominate the industry. Approximately 54 percent of jobs are found in the 4 percent of establishments with 20 or more employees, and some of the largest firms in the industry employ several thousand people.

Although employees in this industry work in all parts of the country, many workers are concentrated near large urban centers.

Consultants 2 Go has a unique range of services that appeals to a large customer base. The company has concentrated primarily on large corporations (Fortune 500) in the Financial Services, Telecommunications, and Insurance industries. In 2007, C2G redefined its sales strategy and determined that mid-size companies would be an asset to the company's client portfolio. After much research, C2G has decided not to pursue smaller, community-based banks for additional prospects due to lack of interest and ability to pay. Although C2G initially pursued government contacts, the financial return did not justify the effort involved, especially since sufficient work exists in the private sector without the paperwork and bureaucratic hassles.

The following sections outline key financial and competitive environment information regarding the Consultants 2 Go target markets.

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*\*Sources: Bureau of Labor Statistics, U.S. Department of Labor, "Career Guide to Industries, 2006–2007 Edition," Management, Scientific, and Technical Consulting Services. Available at <<http://www.bls.gov/oco/cg/cgs037.htm>> accessed 11/16/07; and Bureau of Labor Statistics, U.S. Department of Labor, "Employment, Hours, and Earnings from the Current Employment Statistics Survey." Available at <<http://data.bls.gov>> accessed 11/18/07.*

#### 4.1 Market Segmentation

In order of importance, the groups of current and potential customers for Consultants 2 Go are:

1. **Large Corporations (Fortune 500)** – The majority of current contacts are located in large corporations – companies over 500 employees. These companies are “low-hanging fruit” for marketing expertise but not a primary target for analytic products.
2. **Mid-size Companies** – Companies with 100-499 employees. With 99 percent of prospects having no internal marketing staff, this segment offers a good opportunity to capitalize.

Consultants 2 Go has successfully competed with large firms that dominate the industry, and will continue to do so. To achieve this goal, C2G must focus on Fortune 500 large corporations for core profits.

#### 4.2 Industry Revenue Analysis

As illustrated by the following chart, Consultants 2 Go conducts operations in two strong performing service industry sectors: Management, scientific, and technical consulting services (NAICS 5416); and advertising and related services (NAICS 5418). Overall revenues continue to rise as indicated by the increase in revenues from second quarter 2006 to second quarter 2007 in both industry sectors: 10.1 percent increase in management, scientific, and technical consulting services; and 3.1 percent increase in advertising and related services.

**Table 1: Total Quarterly Revenues for C2G Target Markets<sup>‡</sup>**

Industry Sector	Dollars, millions					
	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007
Management, scientific, and technical consulting services (NAICS: 5416)	38,611	39,040	38,553	38,878	40,089	42,979 (p <sup>§</sup> )
Advertising and related services (NAICS: 5418)	17,533	18,394	18,163	19,884	17,838	19,071 (p)

<sup>‡</sup>Source: “U.S. Government Estimates of Quarterly Revenues for Selected Services 2<sup>nd</sup> Quarter 2007”. U.S. Census Bureau News. U.S. Department of Commerce. 12 September 2007. Available at <<http://www.census.gov/qss>> accessed 11/19/07.

<sup>§</sup>p = preliminary

#### 4.3 Competitive Environment Analysis

As indicated in the market analysis summary, large firms dominate the consulting industry. The following tables list the largest revenue producing U.S. management consulting firms along with their percentage of market share based on revenue. However, current trends indicate that leading players are turning toward government and healthcare sectors, as well as newer international markets beyond Western Europe. At present, Consultants 2 Go is not seeking business in those areas.

**Table 2: Leading U.S. Management Consulting Firms, 2005\***

Rank	Firm Name	2005 Revenue	% Market Share
1	Deloitte	\$7,814,000,000	4.5%
2	McKinsey & Company	\$3,800,000,000	2.1%
3	BearingPoint Inc.	\$3,388,900,000	2.0%
4	Booz Allen Hamilton Inc.	\$3,000,000,000	1.7%
5	Accenture Ltd.	\$1,709,440,000	1.0%
6	Boston Consulting Group (BCG)	\$1,500,000,000	0.9 %
7	Mercer	\$1,157,800,000	0.7%
8	Bain & Company	\$1,130,000,000	0.7 %
9	AT Kearny	\$798,000,000	0.5 %
10	Navigant	\$575,000,000	0.3%
	Total Revenues - Top 10	\$24,873,400,000	14.4 %
	Total 2005 US Industry Revenues	\$173,000,000,000	100%

\* Sources: *Hoover's Company Records – In-Depth Records*. Lexis-Nexis Academic Universe. Available at <http://www.lexisnexis.com.libdb.njit.edu:8888/> accessed 11/18/07; and "MMC 2006 Annual Report." Mercer Human Resource Consulting. Available at [http://www.mmc.com/investors/Annual\\_2006.pdf](http://www.mmc.com/investors/Annual_2006.pdf) accessed 11/20/07.

### 4.3.1 Competition and Buying Patterns

The Management, Scientific, and Technical Consulting Services industry is a high-paying industry. However, like many industries, buying patterns and wages are susceptible to decrease during economic downturns. Research illustrates that this occurred during the first quarter of 2002. The skilled individual manpower market can offer a lower man-hour cost that can withstand economic instability.

To take advantage of this concept, Consultants 2 Go utilizes freelance individuals for serving both national and regional markets; fees fluctuate, but remain highly competitive. C2G marketing consultant rates run between \$100 and 250 per hour. Rates are established based on the work to be provided and the consultant's experience. Generally, lower rates are charged for tactical execution and higher rates for strategy development.

Competitor rates vary by sector and size. Typical management consulting rates range from \$300 to \$400 an hour. IT consulting firms that span into the area of market analytics can charge from \$150 to \$300 an hour. Staffing companies like DMOC and McKinley Partners can charge between \$65 and \$125 per hour (with the lower rates for tactical execution).

## 5 Strategy and Implementation Summary

In order to maximize competitive edge and manpower resources, Consultants 2 Go has defined its sales focus on the following two market segments:

1. **Large corporations.** These represent the most important market segment, which consists of telecommunication, financial services, and insurance providers. Pharmaceutical companies, with their large presence in the New York-New Jersey area, represent another potential market that will be pursued when resources become available. Companies in these sectors will interact with C2G for development functions that are more effective when outsourced than when managed in-house. C2G will pursue new Fortune 500 clients in the coming year, especially within the insurance industry.

2. **Mid-size growth companies.** C2G will aggressively pursue leads and market its services to mid-size companies (typically those with less than 500 employees and \$30–\$100M annual revenues), especially those in high-growth fields, such as software, multimedia, and pharmaceutical industries. C2G will offer mid-sized companies an attractive development alternative that will allow the company to maximize opportunities in new market segments.

C2G has the capacity to engage in projects throughout the country. However, interim resources are currently available in the Mid-Atlantic/Northeast corridor—New York, New Jersey, Pennsylvania, Connecticut, and Massachusetts.

## **5.1 Competitive Edge**

Consultants 2 Go maintains close and effective relationships with end-users, vendors (agencies and sub-contractors), and even with competitors. When necessary, C2G will perform projects in a consortium partnership with an end-user or agency.

C2G offers unparalleled quality within a cost-effective package, distinguishing itself as consulting service with many competitive advantages. Our seasoned and talented management team is qualified to provide solutions in business development, market development, market intelligence, data segmentation, and channel development. C2G offers this range of services to telecommunications, financial services, and insurance providers, and high-level marketing firms:

1. Provide end-to-end marketing support for the entire engagement of the project,
2. Leverage a company's existing resources, or
3. Augment existing staff to nurture existing customer relationships or forge new alliances.

Clients can always count on quick, accurate results from C2G. Client satisfaction with our consultants and service remains our highest priority.

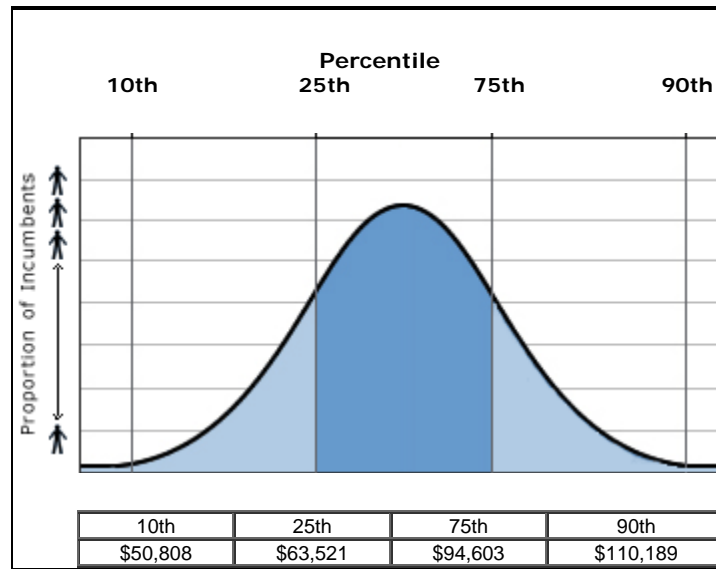
## **5.2 Marketing Strategy**

### **5.2.1 Pricing Strategy**

C2G has adopted a price matching strategy rather than entry pricing. We monitor the current regional salary scale for management consultant professionals, and set our fees accordingly while still maintaining competitive pricing.

Research shows that salaries for management analysts vary widely by years of experience and education, geographic location, sector of expertise, and size of employer. Generally, management analysts employed in large firms or in metropolitan areas have the highest salaries. The following figure shows the base annual wage and salary earnings of management analysts in the New York market, as reported by Salary.com, in November 2007.

**Figure 1: Base Annual Wage and Salary Earnings Management Analysts in New York Market (ZIP 10285), November 2007\***



\*Source: Salary.com Salary Wizard. Available at <<http://www.salary.com>> accessed 11/26/07.

According to a 2004 survey by the Association of Management Consulting Firms, salaried management analysts usually receive common benefits such as health and life insurance, a retirement plan, vacation, and sick leave, as well as less common benefits such as profit sharing and bonuses for outstanding work. In addition, all travel expenses usually are reimbursed by the employer. Self-employed consultants have to maintain their own office and provide their own benefits, including insurance. C2G takes this fact into consideration when establishing fees for services. In addition, the company is presently exploring potential legally acceptable consultant benefits, as well as the possibility of a business model that includes employees and a benefits package.

Clients are charged at the following rates:

**Hourly Rate Pricing**

- Principals – \$150+/hour, depending on assignment
- Consultants
  - Marketing Consultants
    - \$90 – \$125/hour plus C2G markup of 30% (low end)
    - \$150 – \$225/hour plus C2G markup of 30% (high end)
- Retainer Pricing – Based on the expected minimum number of hours per month, the average was \$125/hour.
- Project Pricing – Standard project pricing is based on a daily rate (8 hours x hourly rate). Pricing is negotiable depending on the length and complexity of the project.

Pricing for projects that do not fall within the established criteria will be negotiated with clients according to market prices.

### 5.2.2 Promotion Strategy

The primary promotion strategy for Consultants 2 Go continues to be cultivating existing relationships, using known networking techniques to develop referrals and generate new customer leads. Several secondary strategies are also employed, including use of our informational brochure and web presence. During 2007, C2G escalated public relations efforts. Media coverage included several newspaper articles, magazine features, and a television appearance. Ultimately, the satisfied customers who generate new and repeat business represent the ideal long-term promotional strategy.

### 5.2.3 Sales Strategy

Consultants 2 Go's sales strategy focuses first on maintaining the identity of the high-end buyer who appreciates quality service, but is also very demanding regarding value creations. C2G has been able to find these customers using a combination of social and interactive relationships. In order to grow at desired levels, C2G must begin a more aggressive sales strategy that includes cold calling and cultivating secondary leads. In addition, Consultants 2 Go might benefit from hiring a full-time sales staff. This revision to the current business model is currently being evaluated.

C2G customizes services to ensure optimum client satisfaction. This "individual sales strategy" approach encourages clients to participate in producing exactly what services and deliverables they want. There are no standard sales offers. C2G allows customers to choose a tailored mix of elements, such as optional services benefits, delivery conditions, training, financing alternatives, technical services options, and sales assistance options.

C2G's current sales model addresses both account management and traditional sales, which recognizes the value of existing clientele. Ideally, C2G likes to place consultants with both strategy and execution skill sets who also excel at business development. Interim resources are encouraged and rewarded for passing on leads. As of November 2007, C2G has two part-time business development persons assigned to different responsibilities:

- *Account Manager*: Primary responsibility is retaining existing business and growing new business for C2G's largest client ("farmer"). This individual is on a fixed price rather than commission plan, a model implemented in 2007 to meet the needs of both C2G and Account Manager. There is an opportunity to receive bonus if certain targets are reached.
- *Business Development Manager*: Responsible for breaking into new accounts ("hunter"). This individual receives a lower fixed rate fee than Account Manager but has a commission plan.

A sales contest was introduced during the second half of 2007 which will pay bonuses to both business development persons and the recruiter based on C2G end-of-year financial results.

One Consultants 2 Go Principal is designated as the lead salesperson, responsible for managing any sales staff, whether in-house or outsourced.

### 5.2.4 Sales Forecast

The following tables include annual gross revenue and marketing expenditure projections. C2G will focus on sales rather than marketing efforts to reach a projected revenue of \$10,000,000 by 2010.

Consultants 2 Go expects to increase gross sales from \$1,400,000 in 2007 to \$2,500,000 for 2008. This aggressive target is attainable through a proactive approach to the candidacy of clients, partnering with reputable local, regional and national consultants and businesses to reduce competition.

**Table 3: Consultants 2 Go Gross Sales Revenue 2004–2010**

	2004	2005	2006	2007	2008	2009	2010
<b>Actual</b>	\$255,000	\$355,000	\$1,025,000	\$1,100,000*			
<b>Projected</b>	n/a	n/a	n/a	\$1,400,000	\$2,500,000	\$5,000,000	\$10,000,000

\*Year to date

**Table 4: Consultants 2 Go Marketing and Sales Budget 2004–2010**

	2004	2005	2006	2007	2008	2009	2010
<b>Actual</b>	\$4,000	\$14,000	\$8,800	\$15,700†			
<b>Projected</b>	n/a	n/a	n/a	n/a	\$30,000	\$60,000	\$90,000

† Year to date

### 5.3 Milestones

In 2008, Consultants 2 Go will concentrate on milestones identified in the following chart. These milestones include both infrastructure improvements and sales activities, both of which are critical for increasing annual revenue.

Print advertising will target newspapers and magazines. In 2007, C2G updated its website, and moved to a Web 2.0 platform. This upgrade will allow C2G to be proactive in using the website for self-promotion, increasing communication with existing clients and consultants, and to attract prospective clients in 2008. Any Internet advertising will appear on both the websites and search engines of C2G’s business partners.

**Table 5: Consultants 2 Go 2007/2008 Milestones**

<b>Milestone</b>	<b>Target Start Date</b>	<b>Target End Date</b>	<b>Budget 2008</b>
Advertising -- Internet	1/1/2008	Ongoing	\$1000
Advertising -- Print	1/1/2008	Ongoing	\$500
Benefits Analysis	1/1/2008	3/31/08	n/a
Brochures	5/16/2007	3/31/08	\$1,500
Business Plan	1/1/2007	12/31/07	\$0
Identify Business Contacts	5/1/2007	Ongoing	n/a
Prospect List	1/1/2007	12/31/2007	\$100
Recruit New Consultants	1/1/2007	Ongoing	n/a
Recruit Retainers	1/1/2008	12/31/2008	n/a
Recruit Advisory Board Members	12/1/2007	Ongoing	n/a
Salespeople Retainers	1/1/2007	Ongoing	n/a
Secure Funding	1/1/2008	Ongoing	n/a
Secure New Mid-Size Clients	1/1/2007	Ongoing	n/a
Secure New Large Corp Clients	1/1/2007	Ongoing	n/a
Trade Exhibition Attendance	1/1/2008	12/31/2008	\$1000
Write Sample Prospecting Letters	5/12/2007	12/30/2007	\$100

## **6 Management Summary**

The initial management team depends on the founders themselves, with little back up. As it grows, Consultants 2 Go intends to establish a team of consultants who will operate under the principals.

The management philosophy is based on responsibility and mutual respect. People who work at Consultants 2 Go do so because:

1. They do not want to return to Corporate America on a full time basis.
2. Their work schedules can be flexible.
3. C2G encourages entrepreneurship, flexibility, diverse projects, solid business relationships and good hourly rates.
4. They can work on projects that they might not otherwise have the opportunity.

## 7 Financial Analysis

The Consultants 2 Go financial picture is very encouraging. We maintain positive financial relationships with credit, checking, and savings institutions. Annual gross revenues have steadily increased.

### 7.1 Financial Relationships

The following table lists all institutions with which Consultants 2 Go engages in financial activities.

**Table 6: Consultants 2 Go Financial Relationships**

<b>Institution</b>	<b>Type of Account</b>
American Express	Line of credit
Affinity Credit Union	Line of credit
Valley National Bank	Line of credit
Union Savings Bank	Checking
Valley National Bank	Checking
ING Direct	Business Savings

### 7.2 Financial Projections

The following table presents gross revenue, gross profit, net income, gross profit margin, and sales expense projections through 2010. Annual gross revenue continues to rise, with a 37% increase between 2006 and 2007. 2007 net profits reflect human resource overhead for an additional business development manager, analyst, and bookkeeper. Projections indicate a 2008-2010 gross profit margin of 29%, considered average for the consulting industry and optimal for Consultants 2 Go.

**Table 7: Financial Projections Through 2010**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Gross Revenue/\$</b>	366,000	1,025,000	1,400,000	2,500,000	5,000,000	10,000,000
<b>Gross Profit/\$</b>	169,000	708,000	400,000	725,000	2,900,000	2,900,000
<b>Net Income/\$</b>	63,000	207,000	150,000	275,000	550,000	1,100,000
<b>Gross Profit Margin/%</b>	46%	30%	26%	29%	29%	29%
<b>Sales/Marketing Expenses/\$</b>	14,000	8,000	15,700	30,000	60,000	90,000

## 8 Human Resources

Since the business began in November 2002, all C2G staff members have been hired as freelance and placed with clients on an interim or outsourced basis. This includes sales, recruitment, bookkeeping, analyst, and consultant personnel. Consistent with IRS requirements, all personnel are 1099 and receive no health, investment, or other benefits. The freelance consultant strategy has been effective in allowing C2G to maintain a cost-effective, competitive edge even during economic downturns.

However, at this time C2G is conducting research and revisiting this business model to see if hiring full time, paid employees would be beneficial.

### 8.1 Staffing Strategy

According to Chris Alfe, Staff Writer for thingamajob.com, “The work force today is dominated by a generation to which the once prevalent occurrence of lifetime employment with one company seems highly improbable. Workers today are as mobile as the technology they support.”

This is why the strategy of C2G, as well as many other companies; particularly in the consulting industry, is one of hiring mostly consultants rather than direct employees. Today, 25 to 40%, of all workers in the United States are employed in “nonstandard work arrangements,” including consulting work. Some advantages and disadvantages of hiring consultants rather than full-time employees are outlined below.

#### Advantages:

- Consultants are generally paid using form 1099, which means they are responsible for their own federal and state taxes each year.
- Consultants are not offered company benefits such as health coverage or retirement savings plans.
- Companies are able to maintain a “staff” of specialized individuals with skills in areas directly tied into the company’s objectives.
- Companies generally look at contractors first when trying to cut costs (hire consultants and reduce cost on benefits, taxes, etc.).
- Consultants are in high demand during times of economic expansion. They are often needed to work in areas where growth is occurring and where existing talent is short.
- Company saves on the overhead costs that would be incurred with full-time employees.

#### Disadvantages:

- Consultants generally earn higher wages.
- Companies usually look at eliminating contractors before full-time employees when trying to cut costs (get rid off them).
- It is difficult to achieve loyalty as consultants move from one place to another and generally do not establish relationships based on loyalty.
- Consultant may not always be available to take the assignment you have for them.

## 8.2 Benefits Research

As part of C2G's examination of the current consultant-only business model, research was conducted on health and 401K/retirement benefits.

### 8.2.1 Health Benefits

Health insurance prices have traditionally been based on two factors:

- Projected cost of medical services in a given geographic area
- Projected utilization of services

In general, insurance companies estimate utilization of services probability on factors ranging from the medical history of your employees and their dependents to age and gender. These details affect plan premiums to employer and employees alike. The majority of small-group health insurance companies use a process called underwriting. An underwriter analyzes risk factors (including the medical history of each individual) to estimate potential claims and determine a group's insurability. While premiums vary among different carriers, there can be substantial differences in the benefits provided and in the amount employees must pay out-of-pocket for services.

Managed care is the most viable option for small businesses. With managed care, employees receive the most cost-efficient quality care available.

**Health Maintenance Organizations (HMOs)** offer health care in certain geographic areas. Members of the plan agree on a set number of comprehensive services for an affordable monthly premium. Generally, these plans have no deductibles and minimal co-pay. HMO participants must use the plan facilities and health care providers in order to be covered by the HMO. However, out-of-network emergency care is usually covered. Think of it this way: An HMO is an organization that may be housed under one roof or many local offices. All participating providers are bound by the HMO guidelines, and all plan members must stay within the listed providers if they want their non-emergency health care to be covered by the plan. In addition, HMO members must choose a primary care physician. This plan doctor is in charge of all health care decisions and recommendations for the patient.

#### Assumptions Used to Develop Models

- Eligible participants are company employees
- Total of 5 F/T employees, 2 with Single coverage, 1 double and 2 family coverage
- Effective date of the plan, January 1, 2008
- No preference for any particular provider
- Selected plan type HMO
- Zip code used for geographic area "07103"

**Table 7: Health Benefit Models For Consultants 2 Go\***

Plan Summary				
Company				
Plan Name	NJ HMO HSA Compatible No-Referral Plan 2	NJ Cost-Sharing HMO 1	HMO 100/50 Coinsurance Plus	HMO Access w/\$20 copay
Plan Type	HMO	HMO	HMO	HMO
Estimated Total Cost	\$1714.00 monthly	\$1851.00 monthly	\$2289.13 monthly	\$2557.30 monthly
Online Physician Directory	<a href="#">Doctors</a>	<a href="#">Doctors</a>	<a href="#">Doctors</a>	<a href="#">Doctors</a>
Primary Care Physician Required	No	Yes	Yes	Yes
Specialist Referrals Required	No	Yes	Yes	No
Self Directed Account	No	No	No	No
HSA Eligible	Yes	No	No	No
Out-of-Network Coverage	No	No	No	No
Optional Benefits (Dental, Vision, Life)	Yes ( <a href="#">View Quotes</a> )	Yes ( <a href="#">View Quotes</a> )	Yes ( <a href="#">View Quotes</a> )	Yes ( <a href="#">View Quotes</a> )
In-Network Coverage				
Annual Deductible	\$1,500 Individual \$3,000 Family	\$2,000 Individual \$4,000 Family	None	None
Coinsurance	None	40% after deductible	50%	None
Annual Out-of-Pocket Limit	\$3,000 Individual \$6,000 Family	\$5,000 Individual \$10,000 Family (Includes Deductible)	\$2,500 Individual \$5,000 Family	\$5,000 Individual \$10,000 Family
Office Visit				
Primary Doctor	\$20 copay after deductible	\$20 Copay	\$20 Copay	\$20 Copay
Specialist	\$30 copay after deductible	\$40 Copay	\$20 Copay	\$40 Copay
Periodic Health Exam	\$20 copay	\$20 Copay	\$20 Copay	\$20 copay with PCP; \$40 copay with other than PCP
Periodic OB-GYN Exam	\$30 copay	\$40 Copay	\$20 Copay	\$40 Copay
Maternity Pre/Postnatal	\$30 Copay for initial visit only after deductible	\$40 copay for initial visit only	\$25 Copay for initial visit only	\$25 Copay for initial visit only
Well Baby Care	\$20 copay	\$20 Copay	\$20 Copay	\$20 copay with Pediatrician; \$40 copay with other than Pediatrician
Chiropractic	\$30 copay after deductible per visit, 30 visits per year	\$40 Copay Limitations 30 Visits Per Year	\$20 Copay in practitioner's office, 30 visits per year	\$40 Copay; 30 visits per year
Mental Health	Outpatient Biologically Based Mental Illness: \$30 copay after deductible; Outpatient Non-Biologically Based Mental Illness: \$30 copay after deductible, limited to 20 visits per year	Outpatient Biologically Based Mental Illness: \$40 copay; Outpatient Non-Biologically Based Mental Illness: \$40 copay, limited to 20 visits per year.	50%, 20 visits per year for Non-Biologically Based Mental Illness	Non-Biologically illness: \$40 Copay, 20 visits per calendar year; Biologically illness: \$40 Copay
Prescription Drugs				
Generic	\$15 copay after deductible	\$15 Copay	\$12 Copay	\$12 Copay
Brand	\$35 copay after deductible	\$35 Copay	\$25 Copay	\$25 Copay
Non-Formulary	\$60 copay after deductible	\$60 Copay	\$40 Copay	\$40 Copay
Annual Deductible	Medical Plan Deductible Applies	None	None	None
Lab/X-Ray	\$30 copay after deductible	\$40 Copay	No Charge	\$100 Copay
Emergency Room	\$100 copay after deductible, copay waived if admitted	\$100 Copay (waived if admitted)	50%, no deductible applies	\$100 Copay (waived if admitted within 24 hours)
Outpatient Surgery	\$150 Copay after deductible	40% Coinsurance after deductible	\$20 Copay in doctor's office. 50% in hospital	\$200 Copay

<a href="#">Hospitalization</a>	\$300 Copay after deductible per day, 5 day copay maximum per admission, including maternity	40% Coinsurance after deductible (Including Maternity)	50% for hospital services	\$250 hospital inpatient co-payment per day, five days per admission, \$2,500 maximum per calendar year; Unlimited days.
<b>Additional Information</b>				
<a href="#">Lifetime Maximum</a>	Unlimited	Unlimited	Unlimited	Unlimited
<b>More Insurance Plan Details</b>	<a href="#">More Details</a>	<a href="#">More Details</a>	<a href="#">More Details</a>	<a href="#">More Details</a>
<b>Exclusions and Limitations</b>	<a href="#">Exclusions, Limitations, and Carrier Disclaimers</a>	<a href="#">Exclusions, Limitations, and Carrier Disclaimers</a>	<a href="#">Exclusions and Limitations</a>	<a href="#">Exclusions and Limitations</a>
<a href="#">Administrative Fees</a>	Aetna Health Inc. - New Jersey requires no processing fees in addition to the premium payment.	Aetna Health Inc. - New Jersey requires no processing fees in addition to the premium payment.	Horizon Blue Cross Blue Shield of NJ requires no processing fees in addition to the premium payment.	Horizon Blue Cross Blue Shield of NJ requires no processing fees in addition to the premium payment.

<sup>\*</sup>Source: HealthInsurance.com; eHealthInsurance (Small Business).

### 8.2.2 401K/Retirement Plan Research<sup>‡</sup>

401K Information (Regular Plan):

- Eligible participants are company employees
- Total of 7 employees are eligible to participate (F/T/P/T)
- Participating employees 6
- Effective date of the plan, January 1, 2008

Company – ShareBuilder	One time Setup	\$495
	Monthly Administration	\$95

Other options for 401K/Retirement Plan (Employers with less than 100 employees):

#### Simple IRA

- This is a simplified way to make contributions to a retirement plan for your employees
- Employees can make monthly contributions
- Employer has the option of two types of contribution methods
  - Match the first 3% of the employee's contribution dollar for dollar
  - Make a non-elective contribution equal to 2% of your employees' pay
- This plan has lower administrative costs than other plans
- Employer contributions are tax deductible
- Employees are immediately 100% vested

#### Simple 401K

- Many of the same requirements and features as the SIMPLE IRA
- This plan allows employees to contribute a pre-tax portion of their salary
- Employer cannot offer another employer-sponsored retirement plan
- Contributions are tax deductible for the business
- Employees can borrow from their accounts
- Earnings are tax-deferred until they are withdrawn

<sup>‡</sup>Source: 401K, ING Direct. Available at <www.sharebuilder.com/qoute/Login.asp>.

### 8.3 Benefits For Consultants

Due to the nature of their positions (consulting) and required compliance with the IRS 20-point check, the company is limited on the amount and type of benefits that can be offered. Possible benefits include:

- Movie tickets at discounted price – C2G could purchase movie tickets at group rates and sell to its employees/consultants. Purchased tickets are good for one year and the cost is considerably less than regular tickets. The cost to the company is minimal and the service is appreciated.
- Discounted Theme Park Tickets – There are a variety of theme parks (Great Adventure, Hershey Park, Sesame Place, etc.) that offer discounted tickets to corporations. Arrangements are easy to make and the company can return unsold tickets at the end of the season.
- Direct Deposit – Electronic transfer/deposit of the consultant’s fees once they are due to be paid.
- Consultant Forum – Consultants can be offered space in the company’s website networking with one another.
- C2G Consultant Directory – A participation optional service available to consultants.
- Workshops – Either company sponsored or company conducted workshops for specific areas. C2G may organize peer teaching programs where consultants share their expertise with peers for a minimal fee or at no cost.

### 8.4 Consultants’ Guide

Consultants 2 Go started development of a Consultants’ onboarding guide. The following are requirements which have been identified:

- Should have an engaging message on the cover, examples include: “We come together to make a difference” or “We come together to serve our customers.”
- Within the Guide, elaborate how to make the difference or how to satisfy a customer
- The Guide should include:
  - What does it mean (to the consultant) to become a C2G consultant?
  - Company’s code of ethics
  - Company’s vision and mission
  - Brief company history – what is the company all about
  - Other consultant testimonies on their experience with the company
  - Company’s culture
  - What is expected of a consultant and what a consultant can expect in return
- The Guide does not necessarily have to be paper-based or a one-to-one meeting. It can be online or CD generating a confirmation that the consultant has gone through it.

### 8.5 Recruiting and Retention

As part of Consultant 2 Go’s re-evaluation of the current business model, the following ideas are being considered as part recruiting and retention strategy:

- Instant message to all consultants announcing opportunities
- Referral bonus expanded to recruitment of F/T company employees
- Speak “to” candidates and not “at” them

- Include consultant testimonies on the company’s website (complement to success stories), which would give both perspectives and would attract consultants
- Opportunity to grow within the C2G consultant database – it could be based on experience, level of expertise, level of service provided, etc.
- Conduct interviews with consultants on a regular basis particularly if the relationship is ending
- If the business allows, implement the “Outstanding Consultant” award
- Include a consultant’s corner in the newsletter, to which the consultants themselves would contribute.

Acknowledgement of special events in a consultant’s life (in the newsletter too); include milestones reached with C2G

### 8.6 Compensation Information

C2G is currently considering hiring one full-time recruiter and one full-time salesperson (Business Development); individuals would be directly employed by C2G. The following provides salary information for job titles in these two categories.

**Table 11: Compensation Analysis, FT Sales and Recruitment Professionals\***

**CompAnalyst**

**Industry** All Industries  
**Size** <25 (FTEs)  
**Geography** Northeast (Region)

Job Title	#orgs	#incs	Base				TCC			
			25th%	50th%	75th%	Avg	25th%	50th%	75th%	Avg
Business Development Associate	‡	‡	\$41.7	\$50.5	\$70.2	\$54.1	\$44.6	\$50.8	\$70.5	\$55.0
Business Development Associate, Sr.	‡	‡	\$60.4	\$67.2	\$82.5	\$70.3	\$66.3	\$70.2	\$85.1	\$73.7
Recruiting Director	275†	550†	\$74.9	\$87.6	\$104.6	\$90.4	\$77.6	\$93.5	\$113.2	\$97.1
Recruiting Manager	275†	425†	\$69.6	\$80.7	\$95.0	\$83.2	\$71.5	\$83.9	\$101.3	\$87.4
Recruiting Supervisor III	50†	100†	\$64.4	\$75.1	\$87.0	\$74.8	\$66.3	\$78.6	\$91.5	\$78.7

*Actual TCC data shown*

† Analysis based on at least this many orgs/incs that partially match the selected scope.  
 ‡ Analysis based on all orgs/incs adjusted for selected scope.  
 \* Displayed as general business information only; not legal advice.  
 Note: All orgs/incs are at least the number specified.

**Business Development Associate (IT10000139)**

Identifies and helps to develop strategic relationships with content and technological partners. Works with marketing, sales, and product development teams to implement business development initiatives. Requires a bachelor's degree in business, finance or marketing with 0-3 years of experience. Familiar with standard concepts, practices, and procedures within a particular field. Relies on experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision. A certain degree of creativity and latitude is required. Typically reports to a supervisor or manager.

**Level** Entry Level (I)  
**FLSA Status\*** Typically Exempt  
**Alternate Job Title(s)** Business Development Associate | Entry Level Business Development Associate

**Business Development Associate, Sr. (IT10000140)**

Identifies and negotiates strategic relationships with content and technological partners. Works with marketing, sales, and product development teams to implement business development initiatives. Requires a bachelor's degree in business, finance or marketing with at least 3 years of experience in the field or a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. May lead and direct the work of others. A wide degree of creativity and latitude is expected. Typically reports to a supervisor or manager.

**Level** Senior Level (III-V)  
**FLSA Status\*** Typically Exempt  
**Alternate Job Title(s)** Business Development Associate, Sr | Senior Business Development Associate | Business Development Associate, Sr.

**Recruiting Director (EX05000240)**

Plans, directs, and implements strategic recruitment and employment programs. Responsible for supervising a staff of professional recruiters and

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*\*Source: Salary.com*

## 9 Principal Resume: Sandra Webster

### **SANDRA E. WEBSTER**

*E-mail: Sandi@Consultants2Go.com*

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Office: 116 Wentworth Drive, Berkeley Heights, NJ 07922

Home: 1069 East 104<sup>th</sup> Street • Brooklyn, NY 11236

(917) 697-8218

#### **SUMMARY**

**Extensive experience in direct mail and database marketing. Proven ability to develop and deliver winning direct marketing programs to an extremely targeted population. Strengths include developing successful direct mail, telemarketing and segmentation strategies for new services in charge card and retail. Exceptional ability to lead, develop and motivate teams and individuals to work in a cohesive manner. Trained to break down complex ideas into a manageable process and present the ideas in a clear, easy-to-understand format.**

#### **PROFESSIONAL EXPERIENCE**

**CONSULTANTS 2 GO, LLC, Berkeley Heights, NJ**

**2002 – Present**

Consultants 2 Go is a certified, minority and women-owned enterprise (MBE/WBE) with projected 2003 revenues of \$250,000 that focuses on improving the revenue stream of Fortune 5000 companies through affordable, creative marketing and sales.

##### ***Principal***

Primary responsibilities include financial decision making, hiring and firing, negotiating contracts, preparing bids, and marketing and sales.

- Successfully completed certification processes for the NY/NJ Minority Purchasing Council and NJ Commerce.
- Successfully negotiated 3 major projects for firm in 1Q03 (AT&T, Accenture & SBI and Company)
- Co-created a new chapter of National Association for Female Executives (NAFE); Chair Membership Committee and has recruited over 50 members since October 2002.

**AMERICAN EXPRESS CO., New York, NY**

**1989 – 2001**

American Express is a Fortune 500 company with 2001 income of \$1.46 billion that specializes in travel-related services concentrating on marketing charge/credit cards and related services to individual cardholders, small businesses and large corporations.

#### **ESTABLISHMENT SERVICES BUSINESS UNIT**

***Director – Recurring Billing (i.e. Automatic Bill Payment), 2000–2001***

Focused on developing strategy and delivering marketing campaigns to increase awareness and revenue stream for automatic bill payment among cardholders, internal and external business partners.

- Developed and executed strategy for all bill payment usage programs across American Express business units. Resulted in response rates between 8-16% and minimum revenues of \$113 million.
- Identified and researched new industries to determine value proposition to the business.
- Managed relationship with 160 external business partners.
- Had fiscal responsibility for multi-million dollar budget.
- Pioneered the development of an automatic bill payment website which is a first-mover enrollment service in the industry.
- Successfully integrated automatic bill payment into all offline and online marketing channels.

***Senior Marketing Manager – Recurring Billing, 1999 – 2000***

Launched first automatic bill payment mailing campaign in industry to educate cardholders as well as to develop partnerships across multiple industries.

- Developed and executed simultaneous campaigns to drive awareness and stimulate usage in multiple industries such as Telecom, Subscriptions, Home & Office Security, Business Services, Toll-pass Fees and Membership Fees. Resulted in above-industry average response rates of 2-13% and revenues of \$38 million.
- Launched partnerships and implemented usage marketing programs using multiple channels (direct mail, in-bound telemarketing and online).
- Directed and deployed new, industry-leading, multi-channel automatic bill payment enrollment service that included 58 participating partners.
- Developed first quantitative market research projects for awareness/usage campaign and general bill payment.
- Designed backend analysis for cross-industry campaigns.

**CONSUMER CARD SERVICES GROUP BUSINESS UNIT**

***Senior Manager, Direct Marketing Process Management, 1991–1999***

Developed and coached all marketing employees at all levels and functions on standard direct marketing process. Liaise with internal and external agencies to develop best practices for direct mail and telemarketing campaigns.

- Developed critical success factors, metrics and tools for all direct mail campaigns. Tools aided in the reduction of campaign cycle time from 161 days to 54 days.
- Supervised 20+ cross-functional marketing teams. Direct supervision accounted for a 30% increased in volume, complexity and frequency of mail per person.
- Managed Information Management, Creative and Print/Production vendor relationships for the company. Resulted in bi-annual Agency roundtables, quarterly printshop quality reports and Continuous Process Improvement task force for information management.
- Trained all new American Express marketing employees on direct mail best practices; coached tenured employees to work in new business units and in a team environment.
- Led project management team to incorporate online projects into the existing direct mail and telemarketing infrastructure

***Manager, Database Marketing, 1992–1994***

Partnered with marketing managers to develop customized segmentation for direct marketing campaigns. Performed complex pre- and post-analyses on direct marketing campaigns.

- Managed all segmentation and analytic strategies for new businesses such as Baggage and Air Flight Insurance, Financial Services, Auto Insurance and Annuity products.

***Account Representative/Executive Associate, Database Marketing, 1989–1992***

Entry-level marketing function developing presentations and learning to analyze new businesses; managed secretarial pool.

- Managed all Retention and Resolicitation efforts for new Optima business.
- Assistant to VP-CIM – administrative duties.

**EDUCATION**

Dowling College, Oakdale, NY

Master of Business Administration, General Management, 1999

Marymount College - Tarrytown, Tarrytown, NY

Bachelor of Science, Marketing, 1993

## 10 Principal Resume: Marguerite M. McHale

### MARGUERITE M. McHALE

116 Wentworth Drive, Berkeley Heights, NJ 07922  
W: (908) 803-5934 H: (908) 464-6250  
Peggy@Consultants2Go.com

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### SUMMARY OF QUALIFICATIONS

- *A hands-on marketing professional with extensive senior management experience in global telecommunications, financial services and information technology. Ability to enhance an organization's profitability through the implementation of successful marketing efforts.*
- *Strengths include strategic planning, all facets of marketing, product development, new business development, and the ability to market and implement new service launches for e-commerce offers, charge card programs, and international telecommunications services.*
- *Achieved results through exceptional decision-making, leadership, entrepreneurial ability, and motivational skills.*
- *Negotiated several joint venture agreements with partners in Canada, Mexico and Latin America.*
- *An accomplished public speaker, trainer and motivator with the ability and experience to present information to large groups in an interesting, clear and concise manner.*

### EXPERIENCE

**CONSULTANTS 2 GO, LLC, Berkeley Heights, NJ**

**8/02 – Present**

Consultants 2 Go is a certified, minority and women-owned enterprise (MBE/WBE) with projected 2003 revenues of \$250,000 that focuses on improving the revenue stream of Fortune 5000 companies through affordable, creative marketing and sales solutions.

#### *Principal*

**Primary responsibilities include marketing and sales for the firm, supervising field operations, purchasing equipment and supplies, and bookkeeping.**

- Successfully completed certification processes for the NY/NJ Minority Purchasing Council and NJ Commerce.
- Successfully acquired 3 major projects for firm in 1Q03 (AT&T, Accenture & SBI and Company)
- Ensure appropriate staffing is deployed on all projects
- Distributes and assesses customer satisfaction surveys

**AMERICAN EXPRESS, New York, New York**

**7/99 – 1/02**

***Vice President – New Industry Development/Establishment Services***

Responsible for the merchant acquisition strategy for the Insurance and Utilities industries within American Express. Led the sales team to sign key accounts in both segments. Developed consumer usage programs to drive charge volume within these two segments and across all other bill payment industries. Developed the infrastructure to allow customers to automatically place their monthly

payments on the American Express card and developed a comprehensive pricing strategy for both industries to increase merchant coverage.

***Accomplishments:***

- Increased Recurring Bill Payment Charge Volume **by \$300 million.**
- Launched integrated marketing campaign to promote bill payments with over 120 merchants. Program included direct mail, all cardmember communication vehicles and website.
- Created the first Recurring Bill Payment Registry program for cardmembers, which included over 40 merchants at launch.
- Developed and implemented market strategy to penetrate or increase coverage in industries such as Auto Leasing, Real Estate/Rent, Subscriptions, Health Clubs, Courier Services and Security Systems.

**PARAGON COMPUTER PROFESSIONALS**

**5/98 – 7/99**

***Director of Marketing***

Responsible for the development and implementation of all marketing initiatives for \$100M Information Technology firm specializing in Internet and client/server business applications.

- Launched several new offers promoting Y2K services, Internet and client/server practices. **Increased revenues by 35% in 1998.**
- Developed a comprehensive market assessment for the IT services industry for the CEO and COO. As a result of this analysis, the firm acquired a boutique development firm specializing in web-based applications.
- Revamped all marketing brochures, trade strategy and collateral for the entire company including 12 branch locations. Developed and delivered sales training for all new offers launched by the company. Created marketing database for sales leads, marketing campaigns, and results reporting.

**AT&T**

***District Manager - International Marketing/Global Offer Development***

**1996–1998**

Responsible for leading the development and execution of all new offers targeting 10 million global consumers. This included product development, market research, business case analysis, pricing strategy, executive briefings, marketing execution (Online, direct response, mass media, sponsorships, events, public relations), and results tracking.

***District Manager–New Business Development***

**1994-1996**

Evaluated global trends and identified consumer opportunities outside the US. Lead negotiator for consumer services on several joint ventures and partnerships. Developed consumer business plan for AT&T's joint venture in Mexico.

***District Manager–Multicultural Marketing***

***1991–1993***

Established a new organization that focused on 15 million international customers. Directed the execution of all retention and acquisition programs in 8 languages. **Launched two new products that attained 133% of objective for sales and revenue.**

***Product Manager–International Long Distance Service***

***1989–1991***

Profit and loss responsibility for business and consumer communications services to Canada and Mexico. **Attained 110% of objective for operating income.**

***Financial Manager–Government Affairs***

***1986–1989***

***Manager - Operator Services***

***1981–1986***

**EDUCATION**

**MBA** St. John’s University: Finance – *Honors*  
**BA** College of Mount Saint Vincent – *Cum Laude*

## **11 Appendix: Detailed Financials**

The financial projections through 2010 were prepared based on the following assumptions:

- C2G revenue will reach target of \$10 million by 2010.
- The current business model will be modified to include full-time employees with health and retirement benefits.
- Additional consultants will be secured
- Two Business Development Managers (sales) will be hired full-time beginning in 2008.
- Additional funding will be secured from outside sources to support a full-time employee business model.

Detailed financial spreadsheets attached:

- Table 1: Projected Profit and Loss Through 2010
- Table 2: Projected Cash Flow Through 2010
- Table 3: Projected Balance Sheet Through 2010