

CLIENT, INC.

2005 MARKETING PLAN

prepared by Business Communication Solutions, Inc.

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✦ SITUATION ANALYSIS

Client, Inc. (hereinafter referred to as Client) has built a growing business in Northeast Ohio. Since beginning operations in 1997, Client has developed from a one-person IT consulting and maintenance firm to a three-person operation with approximately 40 clients. To date, a vast majority of new clients have resulted from referrals from existing clients, business acquaintances and family.

The overarching purpose of this plan is to analyze the market potential, examine means for reaching prospects and delineate those specific tactics that will bring in business.

As with any successful marketing effort, this plan will recommend several approaches based on past successes. The marketing philosophy successfully employed by Business Communication Solutions, Inc. (BCSI) is to combine long-range awareness (branding) activities with tactics designed to bring more immediate results or action. None of these approaches, conducted independently of each other, is likely to provide satisfactory results, but together, over a long time frame (6-8 months) will achieve the objectives as listed below. The key to this plan's success is consistent messaging to the proper target audience over an extended timeframe.

BCSI researched and reviewed media information and practices of other similar companies where available. The resulting plan incorporates that analysis. The current situation at Client, and the desire to penetrate three distinct market segments — home users, field-based businesses (office without walls market), and core business users — creates more complex challenges than in many marketing efforts. Thus, we have presented the strategy sections of this plan to better address the unique needs of those segments.

OBJECTIVES

Immediate business objectives:

- 1) Twenty percent overall business revenue growth in combined operations during plan year (1) (from \$618K to \$741K)
- 2) Test the home computer consulting market to determine feasibility and profitability
- 3) Increase use of "office without walls" capabilities
- 4) Eight new business clients in FY 2005

Supporting marketing objectives:

- 1) Target key decision-makers in the right business sectors and the target size group (industry, employees and sales).
- 2) Leverage customer relationships and experience in primary industries
- 3) Create and maintain top-of-mind awareness in target business segments (awareness of services and key differentiators)
- 4) Explore the "office without walls" market
- 5) Test home computer market opportunities

✦ RESEARCH RESULTS

GENERAL MARKET RESEARCH

A search on Cleveland.com identified over 800 IT support and consulting firms in the greater Cleveland market. We are confident that this number actually represents only a small percentage of the actual total.

The IT consulting business is so diverse (from sole proprietorships to large, international operations) that it is difficult to label. The key to standing out in this cluttered environment is to find ways to get your message in front of customers and keep it there.

Most businesses we examined do a very poor job of this. We therefore feel that a professionally developed and executed marketing effort, with simple, repeatable messages, will drive desired effects by instantly differentiating Client as a major player with a proven record of accomplishment and professional values.

WHAT YOUR CUSTOMERS SAY

- We never had a reason to look elsewhere
- Had two other IT companies in here before Client; thought our problems would never be solved
- Great service. Get it right the first time
- They take ownership of problems and fix them
- They are the right-size firm for our business
- Like to deal with local (Summit Cty.) businesses
- They manage ALL of our IT needs (hardware/software/integration)
- Great technical capabilities
- Have seen no one better!
- Great personnel
- Highly confident in ability to fix things
- We like the fixed-cost approach (better budget controls)
- Great value (not necessarily lowest hourly rate)

WHAT YOUR EMPLOYEES SAY

- We have high integrity, conviction and passion for what we do
- Had a good feeling about working here
- Flat fee pricing is good with customers
- Good personal relationships with clients
- Our standards are higher than most
- I feel like I'm a partner in the business

CORE BUSINESS DIFFERENTIATION

- Microsoft Certifications, real professionals with credentials
- Partnerships with Microsoft, Cisco and Dell
- Seven-year history
- No “finger-pointing”, we fix your problem
- One-stop hardware/software/systems/solution provider
- Reduced cost of ownership, not lower hourly rates
- No cost overruns
- We don’t watch the clock so you don’t have to
- We have to get it right or we’ll be gone
- Client longevity

MEDIA BASE PRICING

CRAIN'S CLEVELAND BUSINESS	Summary: Weekly business newspaper, distributed by subscription on Monday.
Total circulation	19,000. 61.5% hold the title of chairman, CEO, president, owner/partner, general manager, vice-president, director or financial officer
Frequency	Weekly
Cost	Open B&W ROP rate: ¼ page (3 col X 6") \$2,484. CPM=\$130

WTAM AM	Summary: News radio. 50,000 watt. Daytime reach to Toledo, Columbus, Youngstown. Notes: 37% have HHI of \$75K+. 68% have a home computer.
Total reach	Morning drive, 5a-9a-120K (12+), afternoon drive, 3p-7p-173K
Cost	Morning drive-\$250/30 sec, \$325/60 sec., CPM=\$2.08/\$2.70

RECORD PUBLISHING Aurora Advocate News Leader Hub Times	Summary: Suburban weekly newspapers in Aurora, Macedonia, Northfield, and Hudson areas. Distribution is on Wednesday.
Demographics (HHI)	Aurora- \$70K, News Leader-\$69, Hudson-\$99K
Total Circulation	29,000. Aurora-6,500, News Leader-12,500, Hudson-10,000
Cost	6 col. Inches (3 ¾" X 3") = \$118/week. CPM=\$4.06

RECORD PUBLISHING Hudson Magazine	Summary: Suburban monthly magazine distributed to all subscribers of Hub Times.
Demographics (HHI)	Hudson-\$99K
Total Circulation	Hudson-10,000
Cost	12X, ¼ page, full color-\$186. CPM=\$18.60

SUN NEWSPAPERS Nardon Hills Sun Twinsburg Sun Solon Herald Sun Sun Press	Summary: Suburban weekly newspapers in Twinsburg, Macedonia, Solon, Chagrin Falls, Beachwood, Pepper Pike, Cleveland Heights.
Demographics (HHI)	Twinsburg-\$67K, Macedonia-\$74K, Solon-\$108K, Beachwood-\$124K, \$85K, Cleveland Heights-\$79K
Total Circulation	53,900. North Summit-17,600, Chagrin Valley-18,800, Sun Press-17,500.
Frequency	Weekly
Cost	9 col. Inches (3 3/16" X 3") = \$293/week. CPM=\$5.43

Note: All media prices, except for radio, are subject to 20% agency markup.

◆ MARKETING STRATEGIES

The principle strategies recommended in the plan create awareness throughout the market area through an ongoing, consistent and long-term approach. Essentially the philosophy is to create broad-based brand awareness but concentrate direct communications on the prospects with the highest potential in terms of size, industry and need.

Our overall recommendations are as follows:

- 1) Concentrate efforts and resources on generating additional revenue for the core business market or general IT consulting, maintenance and repair business.
- 2) Conduct a limited, short-term (4 month) test of the home market, and evaluate success at end of period.
- 3) Conduct more in-depth research into the mobile professional (office without walls) market and conduct a limited test.

The following are specific strategies designed to achieve the stated objectives within the confines of the above restrictions:

OBJECTIVE 1- Target key decision-makers in the right business sectors and the target size group (industry, employees and sales).

STRATEGIES

1A-Concentrate on the medical, school system and light manufacturing industry segments.

1B-Develop a list of target prospects in the right business sectors and the target size group (industry, employees and sales). Use Harris Selectory as primary online list development tool.

1C-Create an ongoing direct mail campaign that incorporates key messaging and presents a professional image.

OBJECTIVE 2- Leverage current relationships and experience in primary industries.

STRATEGIES

2A-Create ongoing communication program with existing customers.

2B-Design an incentive for referrals.

2C-Create industry and topic-specific "sell sheets" or case studies for distribution as direct mail and through the referral network.

OBJECTIVE 3-Create and maintain top-of-mind awareness in target business segments (awareness of services and key differentiators)

STRATEGIES

3A-Develop manageable prospect lists and deliver multiple messages including a postcard/self mailer, possible phone follow up. Material to include testimonial from existing customers.

3B-Explore speaker opportunities through professional and service associations (Chambers, Kiwanis, etc.).

3C-Develop public relations channels and seek opportunities to submit articles or obtain editorial mention in local business publications.

OBJECTIVE 4- Explore the “office without walls” market

STRATEGIES

4A-Investigate availability and cost of local subscriber and member lists for “independent” professionals and manufacturers reps.

4B-Develop test mailer to reach this audience.

OBJECTIVE 5-Test home computer market opportunities

STRATEGIES

5A-Create print advertising campaign to reach prosperous east side suburbs. Test for 3-4 months and gauge response and profitability.

5B-Develop coupon program through ADVQ or Val Pak.

✦ KEY MESSAGE POINTS/THEMES

The following message points are concepts that can be applied to all forms of advertising, public relations and promotion where and when appropriate. From these concepts we will develop the core message points that we will consistently and continuously use to support our objectives:

- Medical themes (home and business)
 - We solve your pain
 - Not a band aid approach to a chronic problem
 - Vaccine, medicine, relief, prevention more than cure
 - Reduce headaches, relieve tension
 - Annual check up
 - Kid tested (home only), protect your family
- Intrusion themes
 - Your system (home and office) is under siege by people who want to hurt you (it's criminal, it's terrorism, it's well financed)
 - You need to be prepared
 - Just as you engage an attorney or accountant before it's too late, so should you have a dependable information consultant to protect your assets, privacy and business
- Core business themes
 - The last computer company you'll ever need
 - We get it right the first time
 - Know your total cost of ownership
 - No surprise pricing
 - The professional's choice in IT
 - No worry IT
 - IT made easy
- Office without walls themes
 - Flexible work plans defined
 - Work anywhere, anytime
 - We go where you go
 - No upgrades for life
 - Latest software at your fingertips
 - Safe, secure storage
 - Fast and secure
 - State of the art protection

★ MONTHLY BUDGET ESTIMATES (First Half 2005)

Activity	Strategy Supported	Estimated cost	Comments
FEBRUARY			
Corporate ID creative		\$800	New logo. Apply to stationery, etc. Should include letterhead, envelopes, and business cards in this amount.
Advertising creative	5A	\$320	Writing, design
Print Record Newspapers 4X	5A	\$400	Cost includes agency markup. Include coupon or other offer (2 nd computer-1/2 price, etc.)
Business direct mail creative	1C, 2C	\$400	Create a 2-sided self mailer
List development	1A, 1B, 1C, 3A	\$350*	1,000 names
Direct mail printing and postage	1C, 2C	\$1,200	2-sided self mailer. Mail to prospect list and current business customers.
Account/Production Management		\$525*	
MONTH TOTAL		\$	
MARCH			
Print Record Newspapers 4X	5A	\$400	Cost includes agency markup. Include coupon or other offer (2 nd computer-1/2 price, etc.)
Consumer direct mail/coupon creative	5B	\$240	
List procurement	5B	\$300	Assumes 1,000 names, HHI > \$75K, Home Value > \$300K
Printing and postage	4B	\$570	Assumes 1,000 names
Media/public relations activities	3C	\$210*	Explore suburban weekly and business publication PR opps.
Customer incentive piece creative	2B	\$320	
Account/Production Management		\$525*	
MONTH TOTAL		\$	
APRIL			
Print Record Newspapers 4X	5A	\$400	Cost includes agency markup. Include coupon or other offer (2 nd computer-1/2 price, etc.)
Business direct mail creative	1C, 2C	\$320	Create a 2-sided self mailer
Business direct mail printing and postage	1C, 2C	\$1,200	2-sided self mailer. Mail to prospect list and current customers.
Media/public relations activities	3C	\$300	Explore suburban weekly and business publication PR opps.
Customer incentive piece creative	2B	\$320	
Printing and postage	2C	\$200	
Media/public relations activities	3C	\$300	Explore suburban weekly and business publication PR opps.
Identify speaker opportunities and book	3B	\$400	
Account/Production Management		\$500	
MONTH TOTAL		\$4,545.00	

MAY			
Print Sun Newspapers 2X Record Newspapers 2X Hudson Magazine 1X	5A	\$1165	Cost includes agency markup. At end of month, evaluate ROI.
Coupon delivery	5B	\$TBD	Evaluate ROI
Postcard creative	1C	\$160	
Postcard printing and postage	1C	\$500	
Media/public relations activities	3C	\$300	Explore suburban weekly and business publication PR opps.
Evaluate "office without walls" ROI	4B	N/C	
Identify speaker opportunities and book	3B	\$400	
Account/Production Management		\$400	
MONTH TOTAL		\$2,925.00	
JUNE			
Print Sun Newspapers 2X Record Newspapers 2X Hudson Magazine 1X	5A	\$1165	Cost includes agency markup. At end of month, evaluate ROI.
Postcard creative	1C	\$160	
Postcard printing and postage	1C	\$500	
Media/public relations activities	3C	\$300	Explore suburban weekly and business publication PR opps.
Identify speaker opportunities and book	3B	\$400	
Account/Production Management		\$400	
MONTH TOTAL		\$2,925.00	
JULY			
Print Sun Newspapers 2X Record Newspapers 2X Hudson Magazine 1X	5A	\$1165	Cost includes agency markup. At end of month, evaluate ROI.
Coupon delivery	5B	\$TBD	
Mailer creative	1C,2C	\$160	
Mailer printing and postage	1C,2C	\$1,200	
Media/public relations activities	3C	\$300	Explore suburban weekly and business publication PR opps.
Account/Production Management		\$400	
MONTH TOTAL		\$3,225	

★ MEASUREMENT/TRACKING

During all inquiries, the origination source (ads, mailings, referrals) must be noted and recorded. Capture of this information during phone or in-person inquiries requires discipline, but it is the only means of measuring the impact of advertising and public relations expenditures on business. Without this data, the entire program is in jeopardy because you need to determine what works and what doesn't. On your website, you may want to add a guest book feature that allows people to check off their originating source and helps you pre-qualify a lead.

See the attached sample information form.

◆ ADDITIONAL RECOMMENDATIONS

1. Review website, simplify navigation and information points. Make sure your website is capable of capturing visitor information to pre-qualify prospects. Repeat all key message points throughout the website to reinforce other marketing activities.
2. Create a news release for every new client (with permission). Save these to the news section of your website, even if they never get into print.
3. Build a stock of client testimonials by writing letters for satisfied clients and have them send to you on letterhead. Use in active marketing and throughout website.
4. Your proposal might be the last time you have to make a positive impression. Package your proposal in a folder or binder and include complete company background (features and benefits) as part of the package. Send this in addition to electronic quote.
5. Create an overview brochure that clearly differentiates your brand. This can be inexpensively produced in small quantity, or delivered electronically.
6. Explore national trade media opportunities. A published article gives you instant credibility and the reprints are valuable marketing pieces for prospects and existing customers.
7. Consider developing regular enewsletter that you can send to your current customers and prospects. Be sure to follow CAN SPAM regulations. These can be single topic advice columns and/or case studies.
8. Review trade show/business show opportunities. Even a booth at a local fair might be a cost-effective way to reach your home market.
9. Make sure your current customers know your total capabilities and don't be afraid to ask them for referrals.