

Business X-change

Business Planning & Strategic Development

Ensuring Your Business Reaches Its Maximum Potential

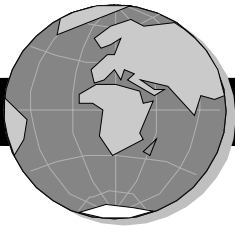
The commercialisation process is often a challenging and onerous task requiring significant personal skills, as well as ongoing equity capital investment. Just having a good idea is usually not enough. There are many other areas including proven technology, market research, business planning, strategic marketing planning, management planning and ongoing expertise, intellectual property strategies and ongoing capital raising strategies which require development and implementation to ensure the commercial success of a business.

PROSPERITY EXCHANGE, through its comprehensive Business Planning & Strategic Development process, addresses these issues, providing your business with a comprehensive document suite which will become integral to your business development and commercialisation. Our business planning products offer access to a wide range of professional services, as necessary throughout the process, including solicitors, accountants, senior management and professional business developers, coordinated under one development strategy so the end product is totally integrated and aligned with your business objectives.

PROSPERITY EXCHANGE's comprehensive and unique Business Planning & Strategic Development methodology not only provides you with a blueprint document detailing specific strategies for your business and/or innovative idea, but also an interactive, internally monitored process. This process assists you with the implementation and recording of your business's progress in achieving the set outcomes with 90 day timeframes focusing on quarterly and monthly objectives over a set period.

The business planning process typically follows our Business Positioning system. While these initial steps create the necessary business position and frame work, the Business Planning & Strategic Development components provide the necessary detail and action plans to take the business vision from concept to reality. The overall goal in the development of a business plan is to take an objective view of all facets of your business or innovative idea, including growth opportunities offered by new product development, threats and trends in your industry, areas of strength or weakness plus strategies to overcome them.

Whether you are a well established business or you have an innovative idea and are a start-up business then a business plan is an essential tool and the first step in structuring and developing your business. A business plan also provides prospective investors with the information they need to evaluate your business for possible investment.



BUSINESS PLANNING & STRATEGIC DEVELOPMENT COMPONENTS

The “Business Plan” is a suite of documents and resources, covering all the business planning and strategic development required, as defined in the module definitions below. The business plan sets the direction of the company, allowing all team members to focus on the activities necessary to see the plan and ultimately the vision of the company become reality. The document suite covers all the business planning and development components, from product development, to resource strategies, market strategies and financial models.

Besides being good business practise a comprehensive business plan is a necessity in the attainment of funding, particularly in later stages of capital raising. Certain modules will be used in detail in an Offer Information Statement and/or Prospectus, through out the various levels of disclosure with investors. As well as planning for business development and growth, planning for future funding and capital requirements is a must.

The business plan will become a dynamic, ‘living’ document which is regularly updated, giving constant guidance as to the status of the business with respect to the planned objectives. Once developed, each module becomes the responsibility of a senior management team member, to be maintained and updated at all times as the business grows and develops.

The following outlines the core modules which make up the Business Planning & Strategic Development process, including the activities covered in each as part of the development process.

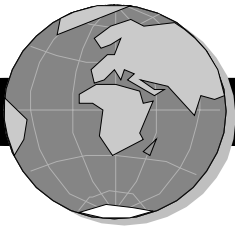
n Business Strategy

“What does your business do and why?”

This includes the high level business vision, mission and overall objectives of the business. It is here where the innovative ideas, which may be a multiple of ideas, are succinctly defined and integrated toward the higher vision.

The key areas addressed are:

- Development and confirmation of the business vision and purpose.
- Development of a succinct mission statement and business objectives, to be adopted in all activities.
- Identification of all business ideas currently entertained, clearly defining each into concise ‘elements’.
- Integration of all business ideas into one development plan aligned with the business vision.
- Growth and development strategy – where does the business want to be in 1, 2, 5 and 10 year times frames?
- Funding strategy, which includes planning for each round of funding required.
- Exit strategies for investors at each level of funding.
- Strategic alliance which may be appropriate and to be pursued.
- Risk planning.



n **Resources Strategy**

“Who will do the work and how?”

Given the vision and the defined areas of business, a complete resource strategy is defined. This identifies the required corporate structure, management structure, human resources required and most importantly the roles and responsibilities. This strategy integrates with the licensing strategy as certain resources may be provided through franchising etc.

Typically this module addresses:

- Management team and structure required, now and as required for future growth and development.
- Roles & responsibilities. This must be done for the existing resource levels with a definition leading into the future growth.
- Exit strategy for key management and staff, including succession planning.
- Product support structures required, including metrics to define support growth with business and product growth.
- Metrics for resourcing, including KPI's and resourcing requirements linked to licensing models.
- How the resource requirements integrates with the franchise and/or licence model.
- Operational requirements, including real-estate requirements, equipment, furniture, tools etc.
- Business systems required.

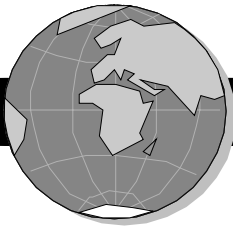
n **Corporate Structure**

“What is the best corporate structure?”

Working closely with appropriate industry professionals the correct corporate structure is defined for the business, covering issues such as the protection of intellectual property, growth, licensing and taxation, as well as the inclusion of future investment and funding.

The areas covered include:

- Corporate company structure and the migration strategy from private company through to publicly listed company, as appropriate.
- Intellectual Property protection strategy.
- Board structure, who is best suited to sit on the board and what additional board members may be required for strength and positioning.
- Patent, trade mark, trade secret and copy write strategies and issues.



PROSPERITY EXCHANGE

Helping Businesses To Grow And Develop With New And Better Ways Of Wealth Creation In Business

n **Financial Model**

“How profitable is the business?”

The development of a working financial model is key to confirming the business strategy and its likely success. It not only tests the business idea indicating its profitability, but defines the value of the business and provides a mechanism to test all development strategies from a commercial perspective.

In this module a comprehensive financial model is developed, including a breakdown of all business areas, from revenue sources to operational and capital costs, and the various ways these may be funded. The assumptions used in the business model are documented and a detailed working budget for the first 6 to 12 months is developed and aligned with the development plan below.

The areas covered include:

- Use of capital and funding, including the identifying the stages and level funding requirements.
- Revenue models, identifying the growth of various products and/or services, including the introduction of new products or services.
- Operational requirements and cost models, models for manufacturing costs, staff requirements, consumables etc.
- Capital purchase and financing strategies, ie cash purchase, leasing arrangements etc.
- Projected group Profit and Loss for 5 years.
- Projected Cash Flow analysis for 5 years.
- Comprehensive business valuation, based on sound financial model projections.
- Initial Working budgets for 6 to 12 months, covering development activities below.
- Complete documentation of the assumptions used in all parts of the model.

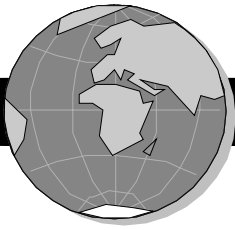
n **Strategic Marketing**

“How is your product to reach its target market?”

This module covers the strategy to be implemented in the marketing and sales of the product. Included is the necessary market research, followed by a comprehensive plan for the appropriate marketing activities (eg advertising sources, marketing collateral required etc).

Typically this modules covers:

- Complete product definition and specifications.
- Product pricing and the value proposition to the market.
- Product positioning and branding requirements.
- On-line strategy development, including e-commerce strategies.
- Market analysis, including existing and expected future market size, broken into profiles and segments.
- Strategies for addressing target markets, including advertising, approach and marketing collateral required.
- Key competitors and relevant strategy to compete and win market share.
- Distribution strategy covering distribution channels, nationally and internationally, integrated with licensing model.
- Strategic alliance, including relationship definition and negotiation.
- Define sales processes, including handover to ongoing maintenance and support.



n **Franchising/Licensing**

“How can you leverage your business?”

This module covers the leveraging and expansion of the business through a licensing, franchising or agent structure, as most appropriate. This module begins with the development of a licensing strategy and structure and can include the authoring and delivery of all franchise documentation, templates and agreements.

This module may include the following activities:

- Distribution channel strategy, using licensing/franchising models.
- Licensing/franchising strategy.
- Milestones, benchmarking, KPI's and other relational issues.
- Required licence documentation and agreements.
- Franchise prototype, and appointment of first franchisee.
- Assistance in the appointment of franchisees.

n **Development Plan**

“How will your product become ready for market?”

Often expertise already exists in this area within the business, covering areas such as R&D, prototyping, manufacturing requirements etc. Hence the focus of this module is one of identifying the most appropriate action plan, the best methodology for the plan to be implemented and careful management to make certain that milestones and deliverables are met.

Strategic advice will be provided including the best manufacturing strategies (ie local or off-shore), most cost effective development processes and importantly conservation of company funds during the development process.

Typically this module includes:

- Development action plan, including activities, required resources, milestones, deliverables and budgets.
- Manufacturing requirements, from product development and prototyping, to commercial production.
- Manufacturing strategy, such as in-house setup versus licensed manufacturing.
- Integration of the development plan with all other aspects of the business plan.