

A BUSINESS PROPOSAL

FreshTEXTS, LLC.

“Innovative studies, with tomorrow’s future in mind”

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4/28/2011

Aldrich Barnes

Charisse Bruin

Aiesha Dawda

Tempest Jolley

Mallory Peterman

Innovative... Accessible... Environmentally Conscious

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Appendix 48

FRESHTEXTS, LLC.

4601 Skidaway Dr.

Savannah, Georgia 31404

March 28, 2011

Dear Dr. Sharon Johnson:

I am currently seeking an investor for our company. You were referred to us by a local professor of Savannah State University, who we know through our years of attendance. Based on your interest in the text book industry and furthering the education of the youth of America, I believe the business plan for FRESHTEXT'S may be of interest to you.

FRESHTEXT'S is the leader in providing a more economical, environmentally friendly, software version of textbooks for the students of Savannah State University. Our mission is rooted in our commitment to the promotion of our environment and collegiate success through providing a more accessible, less expensive, software version of course required texts, enabling the utilization of multiple textbooks all conveniently loaded onto a single device for the goal oriented student on a budget.

We have targeted the student population of Savannah, Georgia and more specifically Savannah State University for our product because of the lack of options to purchase required texts otherwise.

Where we differ from our competitors is in our entirely new innovative service of providing students with e-readers, compact devices that are able to hold an entire semesters worth of textbook material at a lower cost.

We also have a strong management team, including Aldrich Barnes, CEO, Aiesha Dawda, CFO, Mallory Peterman, COO, Tempest Jolley, Director of Business Development, and Charisse Bruin, Director of Marketing.

We are seeking a credit line in the range of \$140,000.00 and \$ 155,000.00 to assist FRESHTEXT'S in the initial start-up phase of our corporation.

Thank you for your consideration and interest in FRESHTEXT'S. I will telephone in approximately 14 days to answer any question and provide any additional information if needed. If you complete your review and would like to discuss matters sooner, please feel free to contact me at your convenience.

Sincerely,

Aldrich Barnes _____

CEO

FreshTEXT's LLC.

Est. 2011

“Innovative studies today, with tomorrow's future in mind”

Executive Summary

FreshTexts, LLC, LLC is currently seeking a loan amount of \$80,000 to begin operations. We provide the convenience of carrying a single, light-weight device with each class required text, downloaded right onto to your own personal e-reader creating an organized, more convenient, greener way to access subject matter, for a more prepared, more informed student. The manufacturing of hardback textbooks requires newer versions, publisher royalties, and transportation every semester and is becoming increasingly more expensive. Carrying a hardback book for every class is not just hard on your wallet it is also physically laborious and damaging to our environment.

By transforming these hardback books into a downloadable version of the text (SKU's), publishers can access, edit, and issue texts all electronically, while realizing the royalties through every scan. SKU's not only create a more organized student and a safer environment, they essentially discourage the need and excessive costs of traditional hardback books. FreshTexts, LLC, LLC has differentiated itself from competitors by offering net book devices for rent or purchase and students no longer have to deal with the time consuming hassle of customary book stores. Over eighty seven percent of students are enrolled full-time, this means more classes and that means more SKU's. Students all over the country deal with the same problem regarding the costs and inconvenience of hardback books.

The market for this new and cost effective technology, presents over 7000 higher education institutions and over fifteen million students in the U.S. FreshTexts, LLC, LLC competitive advantage is in the device and accessibility. E-readers are compact, light-weight, easy to use devices that have the capacity to store all the text's required for a full semester. By offering the e-readers for purchase or rent, every student has the opportunity to benefit from our services. SKU prices are determinant on publisher agreements, and are forecasted to generate substantial revenues after royalties have been paid.

FreshTexts, LLC, LLC plans to expand ventures in the next year to several locations across the southeast with projected revenues reaching over \$150,000 per year. At the end of year five, FreshTexts, LLC, LLC

plans to be valued at \$750,000. With numerous surrounding university campuses, growth and expansion are very promising for FreshTexts, LLC,. These expansions will be financed internally without further investments required. The officers of the company will aid in the sale and promotion of the business throughout state and local events. Through these promotions we plan to secure clients who wish to use our services.

Mission Statement

FreshTexts, LLC, is an innovative bookstore committed to the promotion of our environment and collegiate success through providing a more accessible, less expensive, software version of course required texts, enabling the utilization of multiple textbooks all conveniently loaded onto a single device for the goal oriented student on a budget.

Elevator Speech

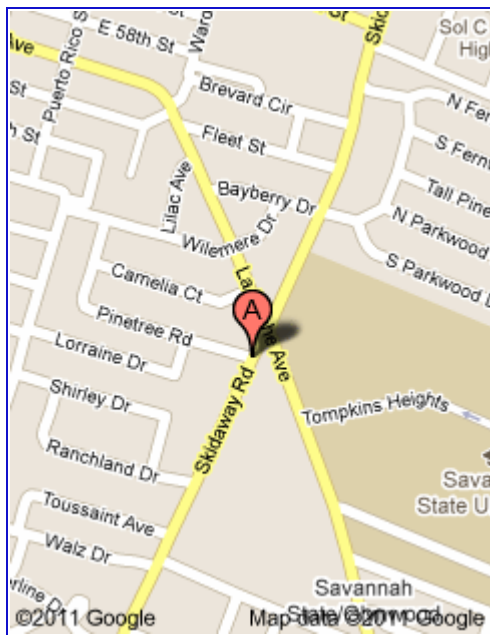
College students everywhere can agree that the cost of textbooks has become outrageous! While the prices of textbooks are breaking our banks, the weight of lugging all these books around is breaking our backs! The issuance of thousands upon thousands of books, requiring a new edition each semester making the old obsolete, isn't just hurting piggybanks, it's also a great deal of waste that is negatively impacting our environment, not to mention the inconvenience of having several individual books.

A paperless society seems to be the way of the future and University systems need not be left behind. With the help of professors in departments everywhere, we plan to transform the way student's access information for good! By transforming heavy, hardback books that require endless revisions that waste countless amounts of trees into a software version, everyone wins. FreshTexts, LLC, plans to transform the way students study by issuing textbooks through SKU codes that will quickly and easily be downloaded right onto your own personal net book. Each student has the option of purchasing or renting a net book that will compactly and conveniently hold a software version of any course-required text.

FreshTexts, LLC, owner and operators have over 20 years of experience as students giving us an inside look at what students want and need to be successful in today's University systems. Our goal is to make success a goal within reach for each and every student! As business professionals straight out of college we know what works, and if our innovation doesn't tempt you our prices will! The software version of text creates a cost effective, easily updated version of old textbooks, which is how FreshTexts, LLC, LLC is able to contract the texts of your favorite publisher's at affordable prices. FreshTexts, LLC, looks forward to transforming the way students study with the innovation of today while sparing your wallet, and supporting a better environment for the students of tomorrow!

Location Information

"Fresh Text's" e-book store is located on Skidaway Drive (on the corner of LaRoche and Skidaway). The address to this illustrious location is 4601 Skidaway Drive (zip code 31404). The operating hours are 8:00 a.m.—5:30 p.m. Monday's through Friday's and 9 a.m.—4:30p.m. on Saturday's. The destined location for "Fresh Text's" is between the Rent-a-Center and the Family Dollar. This is a great location because it is in the same neighborhood as one of the schools that the business is targeting, as well as people who shop nearby.



Crime Information

The crime rate for this location is better than it has been in the past few years. People enjoy coming to this location a lot more often than they used to because the crime rate has decreased. Savannah is known as one of the cities with the highest crime rate in the U.S., but it is decreasing with time. Crime is still higher than it needs to be, but it is getting better at this location. Being that there is a corner-convenient store across the street, many people hang around the area socializing. The crime rate is mediocre because of this. It can drive away customers and be harmful to the business.

Savannah Crime Report

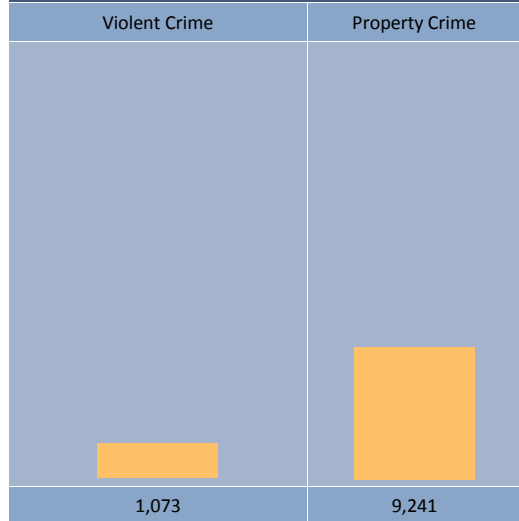
General Information:

State:	Georgia (GA)
City Population:	129,547

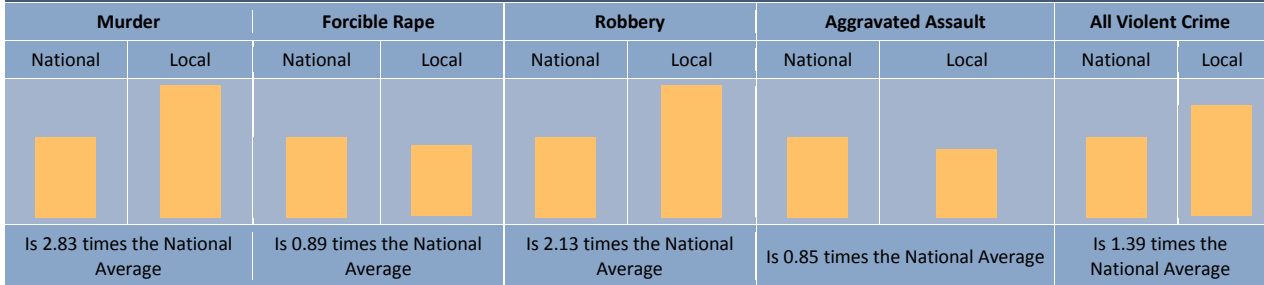
Murder:	28
Forcible Rape:	42
Robbery:	603
Aggravated Assault:	400
Burglary:	2,135
Larceny or Theft:	5,782
Car Theft:	1,324
Arson:	15

Data Source:
2003 FBI Report of Offenses Known to Law Enforcement
Zero values may indicate the data was not available.

Violent vs. Property Crime Rate:



Savannah Violent Crime Rate per Capita:



Savannah Crime Rate per Capita



For more information, we can be contacted at (912) 464-1890 or via freshtext@gmail.com.

Management Team

CEO – Aldrich Barnes

Aldrich will be graduating from Savannah State University in December 2011 as a Bachelor of Science, in Business Administration. As CEO, Aldrich will oversee company goals, core strategies, and will advise top-level management decisions. Aldrich will also manage coordination with all the rest of the top management team. Aldrich demonstrates excellent leadership skills shown through his position as Savannah States student orientation leader and also his position of Sergeant of Arms in the well-known, highly established college fraternity Alpha Phi Alpha. Aldrich is also very involved in multiple forms of volunteer work including the YMCA and Salvation Army.

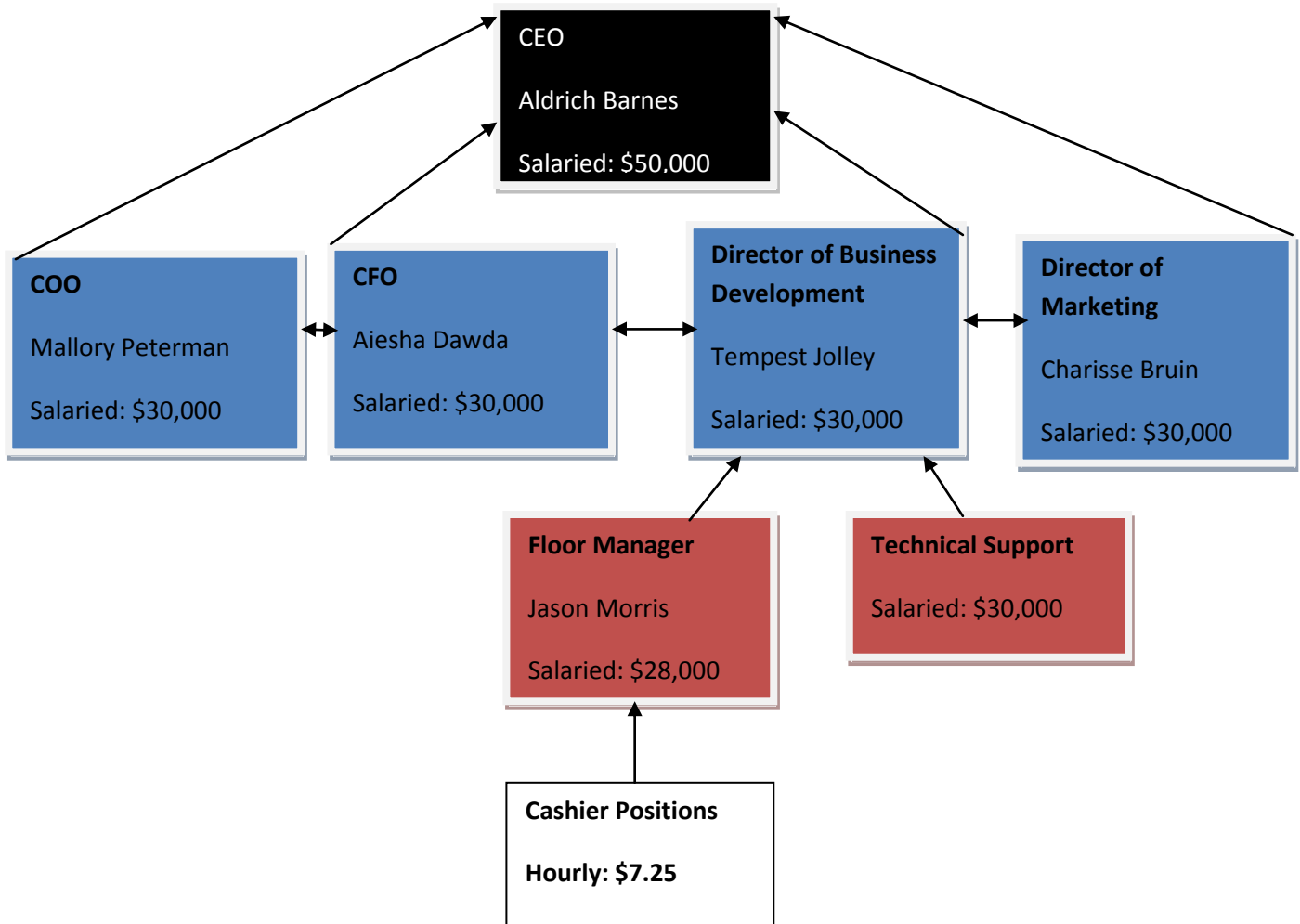
CFO – Aiesha Dawda Aiesha will be graduating from Savannah State University in December 2011 as a Bachelor of Science, in Business Administration. As CFO, Aiesha will oversee financial planning of the business, allocation of expenses, and other imperative financial issues. Aiesha will also assume responsibility for payroll and tax accounting. Aiesha demonstrates strong skills in database and analysis software technology and also volunteers her time working with the American Red Cross. Aiesha has developed and expanded her leadership skills through her position as a Savannah State University Tiger ambassador.

COO – Mallory Peterman Mallory will be graduating from Savannah State University in December 2011 as a Bachelor of Science, in Business Administration. As COO, Mallory will oversee all daily operational activities including the procurement and negotiation of resources and supplies, and all other internal issues. Mallory has an expanded knowledge of operational techniques used throughout the developmental stages of contrasting a business. Mallory also has excellent communication skills which allows for building trusting relationship and aids in the negotiations of procurements of materials.

Director of Business Development – Tempest Jolley Tempest will be graduating from Savannah State University in May 2012 as a Bachelor of Science, in Business Administration. As Director of Business Development, Tempest will govern potential and existing customer relations, lead generation, hiring, and public relations. Tempest will also work closely with the Marketing department in order to generate new business. Tempest is known for her excellent customer service skills. Tempest has built upon her leadership and management abilities through her years of work as Savannah State University's Interim Resident Director.

Director of Marketing – Charisse Bruin Charisse will be graduating from Savannah State University in May 2012 as a Bachelor of Science, in Business Administration. As Director of Marketing, Charisse will be responsible for all marketing and advertising issues including building and maintaining relationships with marketing partners, arranging and coordinating all sponsorships, and working with organizations on any miscellaneous marketing strategies and/or campaigning. Charisse demonstrates creative vision and exemplary customer service skills developed throughout her years of experience working with clients as a personal assistant and have excellent communication skills which have been acknowledged through company recognition for her repeated increases in sales.

FRESHTEXTS LLC.



Additional Staff Support

Technical Support -- Provides technical assistance and training to customers by performing the following duties. Technical Support will start at a base salary per year of \$30,000.00.

Essential Duties and Responsibilities

include the following. Other duties may be assigned as required.

- Provide client support and technical issue resolution via E-Mail, phone and other electronic medium.
- Configuration of client's equipment to connect to the Internet via modem/DSL Router (Dialup/DSL customers only).
- Configure software to connect to Internet application servers.
- Provide training to clients in the use of system and applications as related to Internet.
- Obtain general understanding of OS and application operations related to company offered services.
- Identify and correct or advise, on operational issues in client computer systems.
- Perform light lifting 25lbs.
- Perform creation of new accounts using company provide software tools.

Floor Manager – The floor manager will keep the daily operations of the organization flowing smoothly. The floor manager is much like an assistant manager. The floor manager reports to the director of business development and acts as a front-line extension of the manager's authority. A floor manager is responsible for ensuring that employees are present and the work is completed on time. The floor manager provides support, direction and assistance to his subordinates on all areas of their assigned duties. Floor manager will start at a base salary per year of \$28,000.00.

Tasks and Responsibilities

- Act as store manager in the absence of direct management.
- Maintain excellent customer service.
- Direct and assist cashiers.
- Scheduling of cashiers.
- Maintain the aesthetic presentation of the store.
- Assist customers with purchases and/or any questions.

Cashiers -- A Cashier is responsible for maintaining outstanding customer service as per Company standards, processing sales quickly, accurately and efficiently, cash register operations and safeguarding company assets. Cashier's wages are set at an hourly rate beginning at \$7.25.

Tasks and Responsibilities

- Ensure that each customer receives outstanding service by providing a friendly environment, which includes greeting and acknowledging every customer, maintaining outstanding standards, solid product knowledge and all other aspects of customer service.
- Maintain an awareness of all promotions and advertisements.
- Accurately and efficiently ring on registers and accurately maintain all cash and media at the registers.
- Communicate customer requests to management.
- Enter all media from register into the tally program.
- Maintain orderly appearance of register area and supplies stocked.
- Any other tasks as assigned from time to time by any manager.

Management Plan Continued—Functional Areas Include:

- 1) **Director**—duties include overseeing all the functions including financial, marketing, operational, etc.
- 2) **Operations Manager**—plans and controls all daily operations including customer service, distribution, etc.
- 3) **Textbook Manager**—coordinates with faculty to secure course text information, inventory control, issuance of rentals, insurance of rentals, merchandising, staffing.
- 4) **Assistant Textbook Manager**—assists with all the duties of the textbook manager.
- 5) **Technology Buyer**—buys all computer hardware, software, media licenses, and electronic products.
- 6) **Technology and Web Supervisor**—controls all customer service issues dealing with net-book devices, software, etc.

Company Concept

Savannah Georgia is located in the southeastern region of the U.S. Savannah is known for having had major historical events, spooky haunting tours, and a coastal environment that invites you to enjoy and relax. Savannah has opened several universities including two major accredited universities, Armstrong State Atlantic University which holds accreditations for the education of nursing practices and education, and Savannah State University who holds accreditations for their College of Business Administration.

There are also several other largely know schools in the area including the well-known Savannah College of Art and Design (SCAD) as well as many other smaller private colleges. There are several bookstores in the Savannah, Georgia area; however Fresh Texts is the only environmentally aware, paperless textbook provider devoted to serving the students of the Universities of Savannah, Georgia. Our goal is to lighten the load and make study habits of students more accessible, convenient, and available at a great price. The services provided enable students to carry all course required texts on a single compact device, while enjoying the luxury and convenience of technology without blowing their budgets.

The company will be located in Savannah, Georgia in order to maintain a level of convenience for the students of Savannah State University. Fresh Texts will offer net-books for sale or rent that will accommodate the SKU's (downloaded versions) of the appropriate course required texts. Net-books will be sold at discounted prices and rented per semester. Each SKU will represent an identical version of a paperback text and will be purchased and placed onto the net-book, laptop, or portable device of the students' choice.

There will be a refundable deposit required to purchase insurance for the net-books if students choose to rent which will include coverage of any technical issues experienced, lost, stolen, or damaged net-books throughout the duration of the rental agreement. In order to ensure the refund of insurance deposits net-books must be in a condition appropriate for re-issuance. All technical assistance will be provided free of charge for all rentals throughout that semester. The insurance of rentals is not required; although without insurance students will be held liable for any damages resulting in the payment equal to the wholesale price of the net-book.

Strategy

FreshTexts, LLC, competes on differentiation by offering products at a lower cost, and a unique and innovative method of studying. The organization of all required text materials compactly placed on a light-weight e-reader gives students a more efficient and less burdensome path to educational success.

By making obsolete the old, less efficient, time consuming method of going to the bookstore, looking up several course required texts, purchasing, and toeing around heavy books, FreshTexts, LLC, can assure that more students will be more willing to purchase and actually read the materials in this effortless, new and exciting approach to preparing for their future. We have chosen to focus initially on students attending Savannah State University due to the strong commitment of our students to the organization.

This provides the opportunity to maximize student usage as opposed to becoming a more generalized bookstore dependent upon random, broad publications and random authors read by the general public. Focusing on the students of the University allows us to tailor our services to school colors and logos to enhance the initial experience. In the future, Our Co. name can expand this concept to other universities. Advertising for our services also becomes more focused when the large majority of our potential clientele can be reached through the use of smaller marketing avenues.

Marketing Plan

As a new, fresh company, our target markets in our geographical area are the students attending Savannah State University. Savannah State University is located in Historic Savannah, Georgia, founded in 1733 by James Oglethorpe. Savannah is home to the Savannah Sand Gnats, founding city of the Girl Scouts, home to numerous amounts of museums and restaurants, and FRESHTEXTS! Savannah has housed a few celebrities also—Johnny Mercer and Paula Deen. Savannah is also home to a few colleges and universities—Armstrong Atlantic State University, Savannah College of Art and Design, Savannah Technical College, and the only HBCU in the area, Savannah State University.

With Savannah State University being our initial target market, we will operate as close as possible, within the same zip code as the university. 14.73% of Savannah residents live in zip code 31404, roughly 14,000, not including the school's population, roughly 4,000 students. As the market and company grows and expands to cater to other schools, we hope to have a consumer market size of over 10,000 students! The largest racial group in zip code 31404 is black, just as Savannah State University. Most residents of zip code 31404 (88.9 percent) use car, truck, or van to go to work or school. With FreshTexts, LLC, being so close to the school, no car is necessary. The company is less than 200 feet away from the school's address.

We plan to attract our customers with catchy ads around the city of Savannah including promotional billboards, flyers, commercials in our technology driven society. We will continue to take up surveys throughout the business duration for quality feedback as we pursue to expand in market as the company grows. This will be achieved by, marketing and attracting local schools, such as Savannah College of Art and Design, Armstrong Atlantic University, and Savannah Technical College and to surrounding schools Georgia Southern, Ogeechee Technical College, and the University of South Carolina Beaufort. We would also pursue the Board of Education by grabbing their attention to write grants to distribute Fresh Texts to necessary and qualified schools.

Market Data: Target Market

The following data goes over the student enrollment data at Savannah State University and further breaks the findings down into gender demographics, academic affiliation, class levels, and financial data. The findings show that more than half of the students enrolled at Savannah State are female and 95% of all students are enrolled full time. First year and continuing freshmen (less than 30 credit hours) composite 44% of the students; sophomores, juniors, and seniors are among an equal distribution. The data also discloses how much money the school is allocated. Most of the funds come from state appropriations, auxiliary enterprises, and federal grants. This tells FreshTexts, LLC, that most students are attending Savannah State University on federal loans, or grants—which may correlate to how the students spend money for textbooks.

Academic Year: **2010 - 11**

Fall Census Snapshots (October)

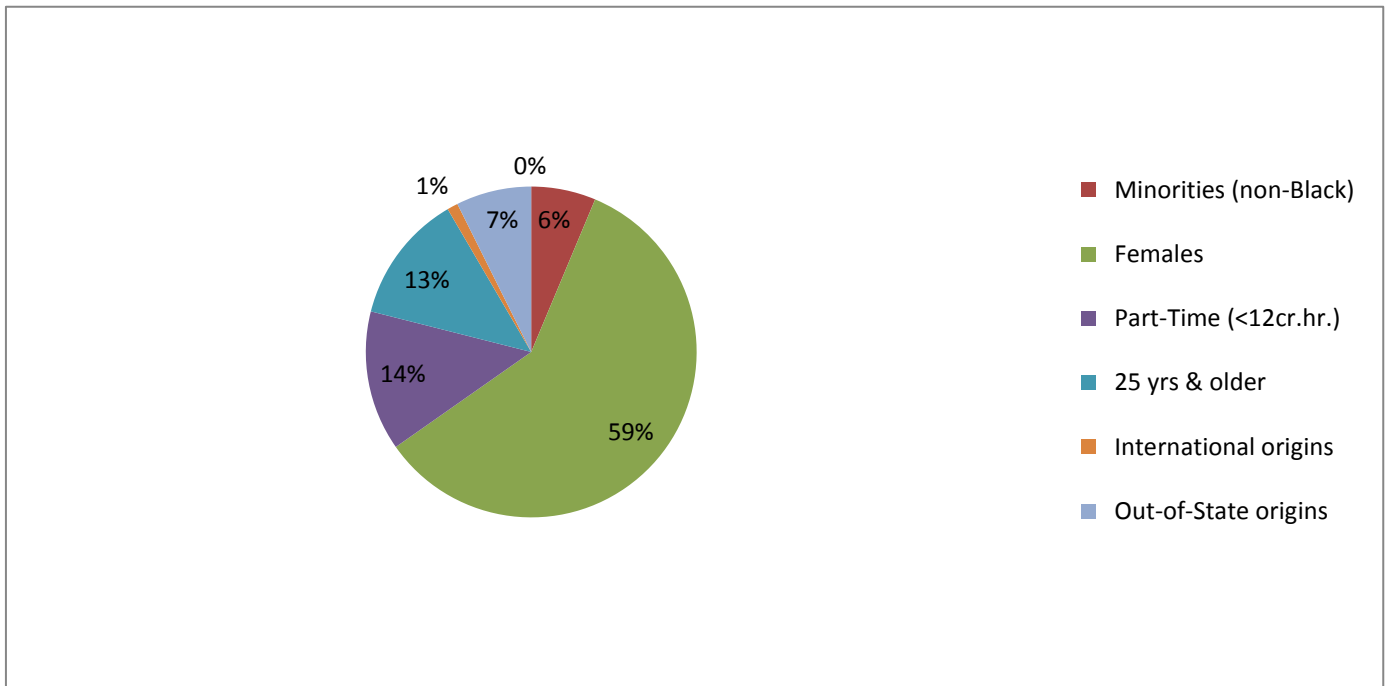
ENROLLMENT (Headcount)	100%	4080
<u>Full-Time Equivalent Enrollment [i]</u>	---	3860
Minorities (non-Black)	6%	254
Females	56%	2280
Part-Time (<12cr.hr.)	13%	526
25 yrs & older	12%	500
International origins	1%	31
Out-of-State origins	7%	283
New Transfers in (all class levels)	4%	146
Freshmen (new)	23%	936
Freshmen (continuing)	21%	840
Sophomores	19%	760

Juniors	14%	589
Seniors	17%	713
Graduate Students	3%	139
CLASS Majors	51%	2099
COBA Majors	21%	839
COST Majors	28%	1138
CURRICULUM & ACADEMICS	---	---
Class Sections		808
Average Class Size		24.4
Credit Hours (Fall Term)		54,137
# Major Programs w/ students enrolled		31
Five Largest Majors (X enrollment)		
Biology	10%	426
Business Management	9%	358
Mass Communications	8%	321
Criminal Justice	7%	292
Accounting	5%	216
Undeclared	10%	411
Average HS GPA (new Frosh)		2.81
Frosh 1 yr Retention (2009-10)	71.7%	866
Graduation	34.7%	568

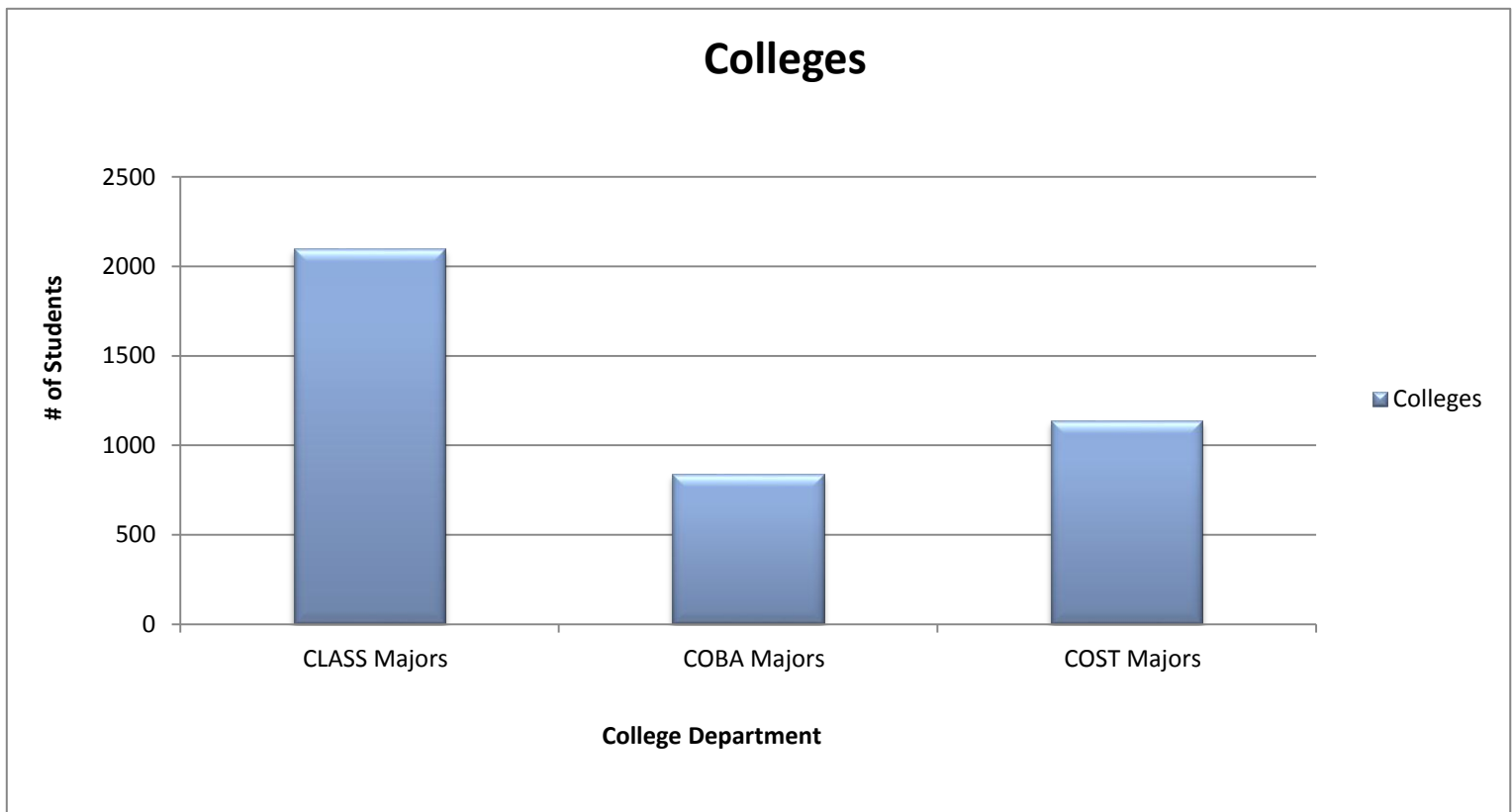
(6 yr; 2004 cohort)		
FINANCES (2009-2010) (General Fund Revenue)	100%	51.37mil
Tuition & Fees	12%	6.24mil
State Appropriation	37%	18.89mil
Federal Grants/Contracts	14%	7.45mil
State Grants/Contracts	<1%	.099mil
Local Grants/Contracts	1%	.38mil
Private Gifts/Grants	4%	1.90mil
Endowment Income	1%	.47mil
Auxiliary Enterprises	31%	15.94mil
Endowment Net Assets	---	---

Demographics

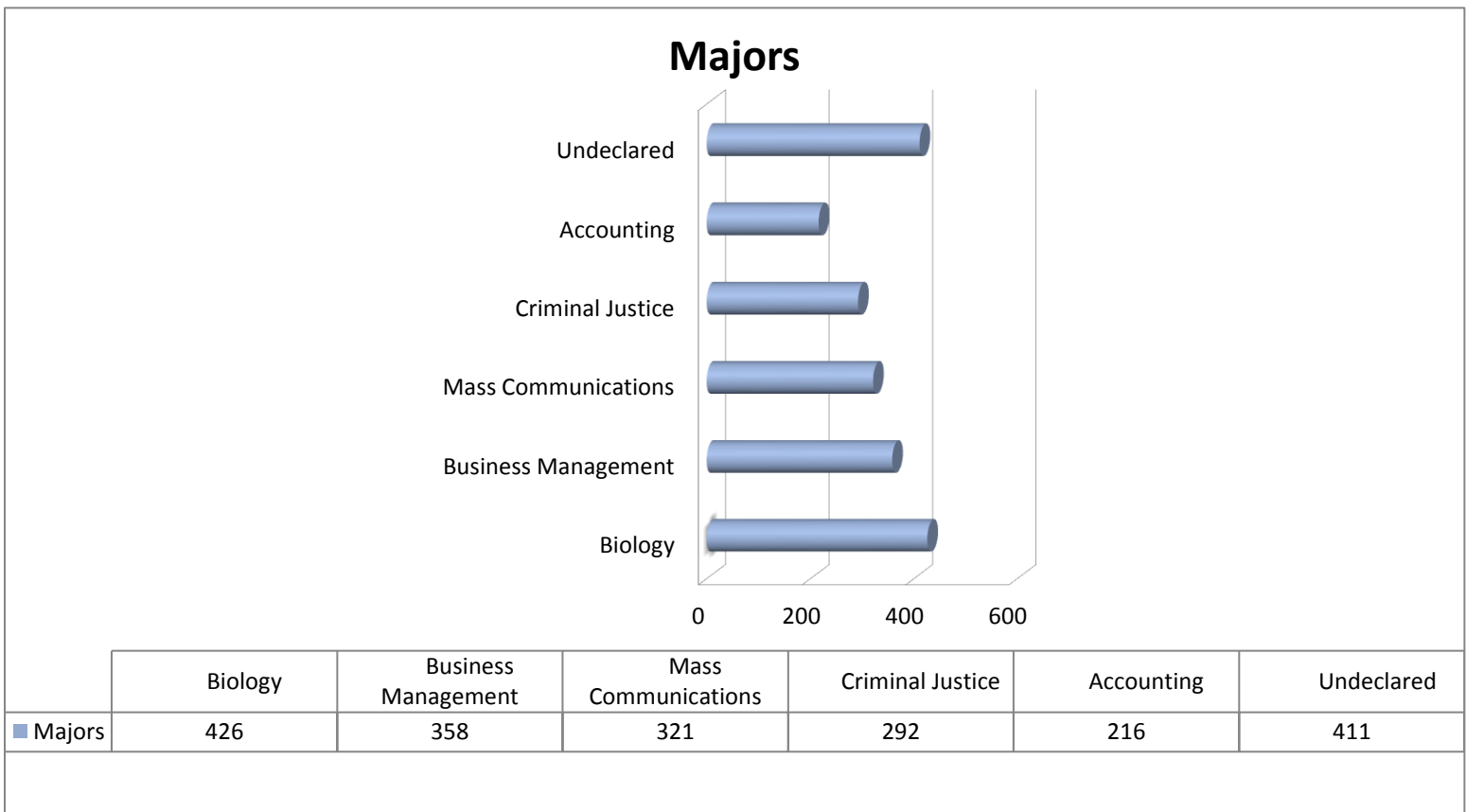
The following chart is the demographic data from Savannah State enrollment into a pie chart. It describes the headcount enrollment of Savannah State University, a total of 4,080 students (fall 2010 data) where 95% of students are full time. Having 95% of the student body attending school full time is very beneficial to FreshTexts, LLC. A full time students is one is described as attending a minimum of 12 credit hours of academic course work, which about 4 classes in all departments. With 3,860 students taking 12 or more hours of coursework is very advantageous to FreshTexts, LLC.



The following chart distributes the colleges of the university. The colleges are College of Liberal Arts and Social Sciences, College of Business Administration, and the College of Science and Technology. This information becomes helpful in learning which types of books and information will be needed for designated academic areas. The College of Liberal Arts and Social Science house the most students, with a population of 2,099 students. With majors such as Behavioral Analysis and Political Science, as many as 2 or 3 books may be needed per class. Although the College of Business Administration houses the least students, with a population of 839, these students have proven to be highly successful in their fields. With majors such as Accounting and Computer Information Systems, textbooks easily run in a price range over \$200 each—with a minimum or maximum of 4 classes, that’s over \$800 for books, not including taxes, fees, and possibly shipping. The same can be said for the 1,138 students of the College of Science and Technology. Some of their majors consist of Marine Biology and Electrical Engineering whose books cost over \$300! Although the mark-up for books is high, students still have to carry their books, sometimes equating to over fifty pounds. This is where the need for a company, FreshTexts, LLC, to come in—to save empty pockets and painful backs!



The following chart further breaks down the most popular majors between the 3 colleges at Savannah State University, becoming more helpful in knowing which academic belongings and paraphernalia will be needed at FreshTexts, LLC. Inventory will comprise of all subjects at Savannah State, plus more, but with helpful market data pinpointing the target majors, FreshTexts, LLC, will know which majors that most customers are looking for. Materials will be made ready and available semester by semester and will accommodate the supplies and resources as requested by each professor’s syllabi and individual class needs and modifications. For example, the 426 Biology majors will have all the possible e-books and supplemental materials needed. FreshTexts will also have a variety of career guides and helpful e-books and e-magazines to guide undeclared majors!



Market Survey

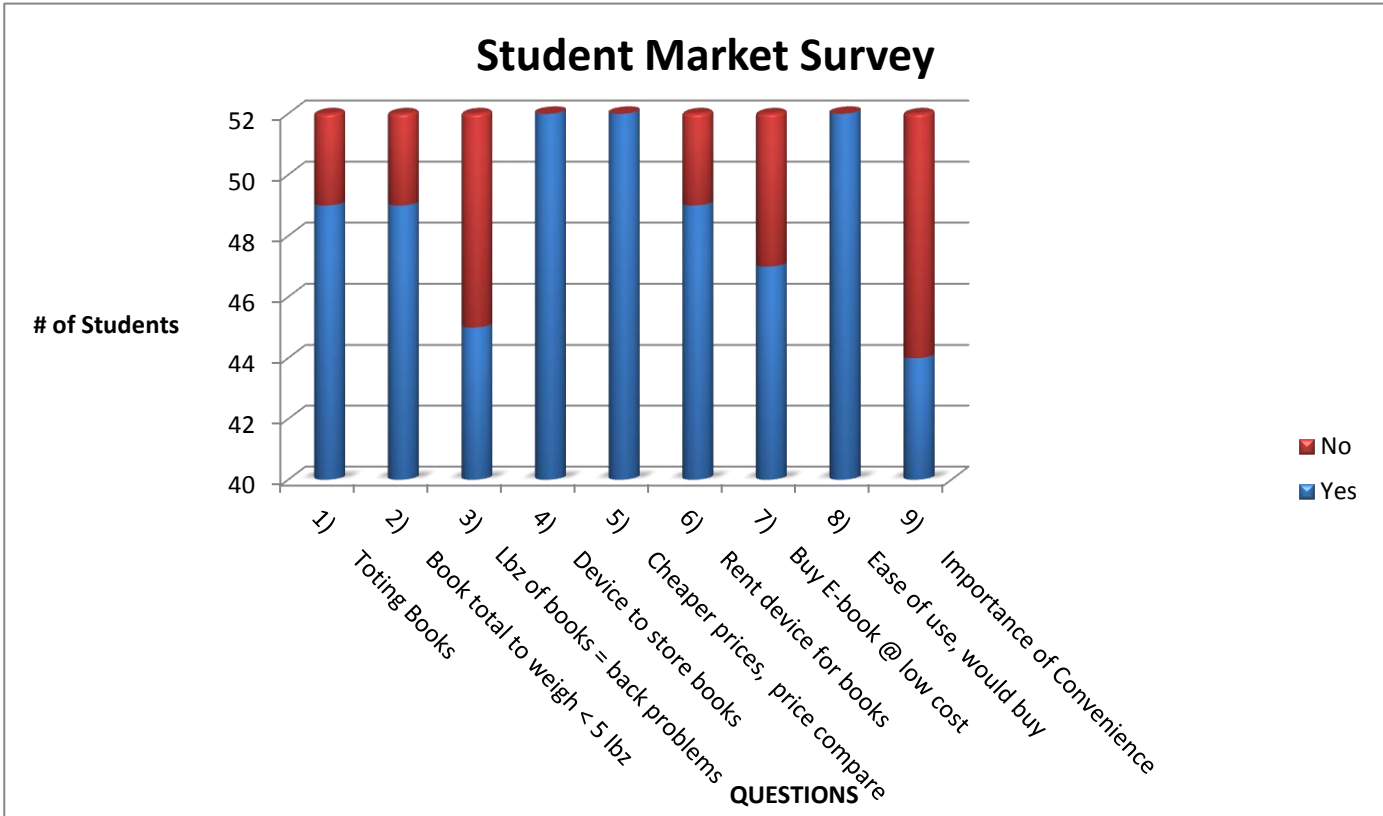
The following survey was passed out to 52 students attending Savannah State University. The results to our findings is that a new twist on technology to allow students to carry a single device, less than two pounds, to hold numerous amounts of textbooks is much needed!

The Survey:

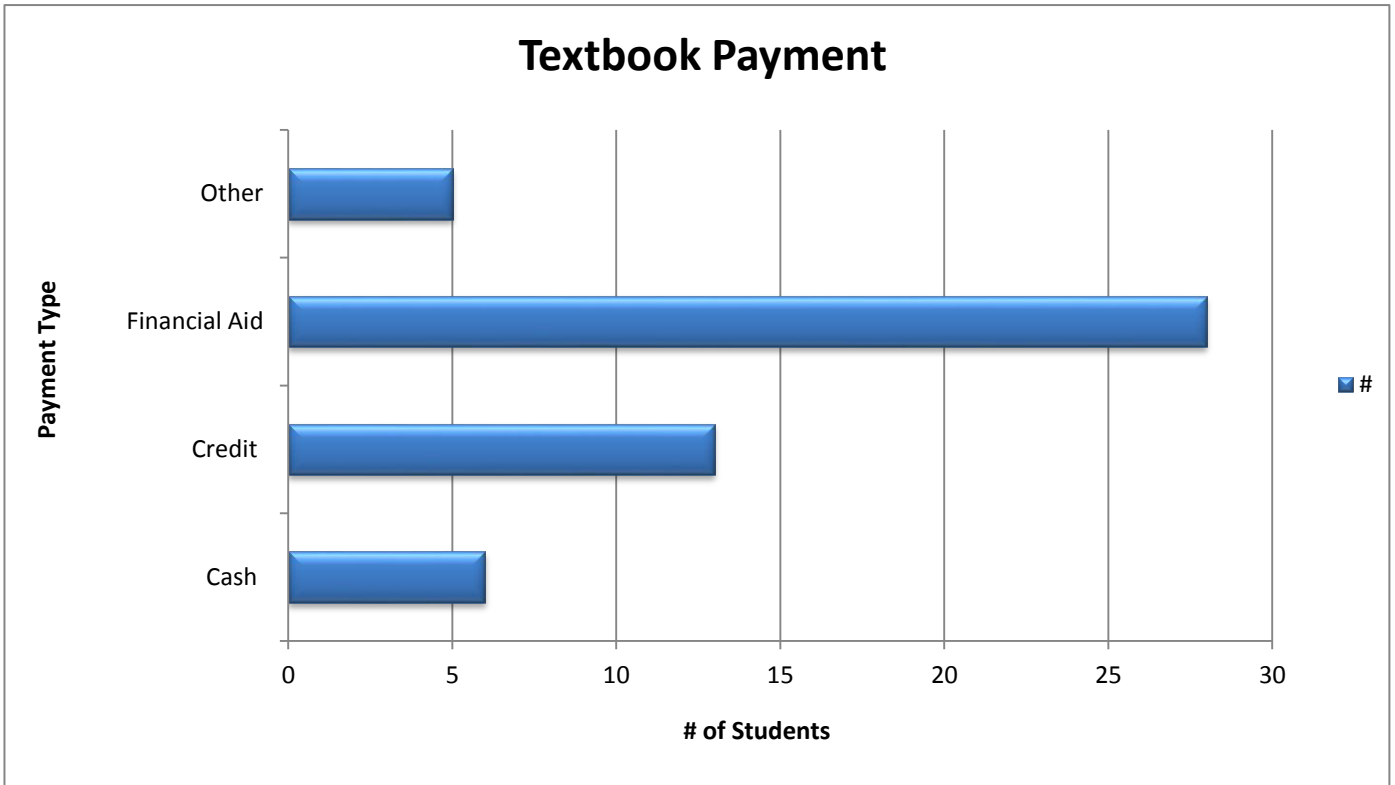
Fresh Texts- A Proposed Business Plan

A Marketing Survey: Savannah State Students	Yes	No	Total
1) Do you like to tote textbooks	49	3	52
2) Would you like your book total to weigh < 5 lbs	49	3	52
3) Do you think the weight of books = back problems	45	7	52
4) What if we had a device to store books? Interested?	52	0	52
5) If this device was available, would you compare the price of it To your total costs of books?	52	0	52
6) If it was an option, would you rent a device for books?	49	3	52
7) Would you buy an E-book @ low cost	47	5	52
8) If the ease of use was simple, would you buy	52	0	52
9) Is convenience of this E-book store important?	44	8	52
10) How do you pay for textbooks?			
Cash	6		
Credit	13		
Financial Aid	28		
Other	5		
Total	52		

The following chart expresses the data findings from the student survey's distributed. Overall, the ease of use, convenience, and simplicity of purchasing or renting an E-book or device is high preferred over toting heavy books all day. According to the survey, well over half the students are interested in FreshTexts, LLC., ideas and reason for business!



The following chart indicates that 27 of 52 surveyed students use financial aid as a form of payment. This does not pose a conflict to FreshText, LLC., because the Financial Aid at Savannah State as well as other schools are disbursed in the form of a debit card.



Competitors

SSU Bookstore, 3219 College Street, Savannah, GA

(912)-356-8456

Store Hours

Mon-Thurs 8 am- 6pm

Fri 8 am- 5pm

Sat 10am – 2pm

Sun- Closed

Ex Libris Bookstore (SCAD)

www.exlibris.bkstr.com/ 228 Martin Luther King Jr Blvd, Savannah

(912) 525-7550

Bookstore Hours

Mon-Thurs 8 a.m.- 6 p.m.

Fri 8 am.– 6p.m.

Sat- Sun 11am- 6pm

AASU Bookstore- 11935 Abercorn Street, Savannah, GA, 912-344-2603

BOOKSTORE HOURS

Spring Semester

8 a.m. - 6 p.m. M-W

8 a.m. - 5 p.m. Th-F

Noon - 4 p.m. Sat

Closed Sun

Barnes and Nobles

Oglethorpe Mall

7804 Abercorn Ext. 72, Savannah, GA 31406

(912) 353-7757 (912) 353-7757

Open Mon-Thu, Sun 9am-10pm; Fri-Sat 9am-11pm

SSU and AASU Bookstores and Ex Libris cater to their market, their students—they are the bookstores of the universities. That is their major strength and cash inflow. Barnes and Nobles sells books related to various school topics, and they are also the creator of the Nook, an electronic device on which books can be read. The disadvantage is that Barnes and Nobles does not sell college textbooks, nor can they be purchased on their device. The disadvantage to the college bookstores is that they do not sell books on a portable device or books that can be downloaded to a portable device. FreshTexts, LLC, gives students the option to carry around books for, but certainly not limited to five classes a semester in a single device! As long as you have software space on your device, you can have your selected book.

Competitive Map

	Us	Kindle	Nook	iPad	SSU Book store
Location	Savannah, GA (right off of campus)	Online Amazon.com	Online/ Barnes and Noble	Online Apple store, Verizon Wireless	Savannah GA, On campus
Founded	2011	1994 Kindle 2007	1873 Nook 2009	1976 iPad 2010	Earliest record 1900
Unique	Custom to fit the needs of college students	Has a wide variety of applicable books and you can lend them to another kindle user	Carries the most books out of all companies	Has applications for ore than just reading books	Student have the ability to pay for books via financial aid
Device Price	\$125	\$189-\$379	\$149-\$249	\$499	N/A
Rental	\$75 with a \$25 refundable security deposit	none	none	none	N/A
Wi-fi/ 3G	yes	yes	yes	yes	N/A
Applications	Android operated system	850,000 + publications	1Million plus books	65,000	N/A
Book Availability	100%	75%	65%	57%	100% w/ some back order

Competitive Analysis

Through continuous research our team has found our main competitors to this product. They include Barnes and Noble with their product the NOOK, Amazon.com and their product the Kindle, and Apple and the iPad. These are our main product competitors for the fact that they are small handheld devices that can hold all classroom required text materials and an array of other applications and information. Our physical book competitors would include the Savannah State University Bookstore, abebooks.com, chegg.com, half.com, textbookx.com, ccheapbooks.com, Barnes and Noble, and all other emerging companies of the sort.

There are many factors that make our company better; the following factors play a role in our belief that we will be successful:

Location: FreshTEXT will be located on the corner of Skidaway Road and DeLesseps, in the Family Dollar Shopping Center. Other physical locations that have physical locations are the Savannah State University Bookstore, which is located about two miles away. Other locations such as Barnes and Noble and Books-A-Million are located at least seven miles away.

Establishment: While FreshTEXT will be experiencing its grand opening later on this year the other companies have at least a decade of customer loyalty on their side with the oldest being Barnes and Noble Established in 1873, then Savannah State Book store which there has been one on record since 1900, Apple in 1976, and then Amazon in 1994.

What makes us Unique: Our product seems to be the one most fit for our target market. We are focusing on college students and putting features that will allow for them to streamline all of their books and material into one. Our product is Android operated and with that applications can be downloaded such as a graphing calculator. Also in addition to being on the Android market our reader also has 3G and wifi.

Competitive Analysis Continued

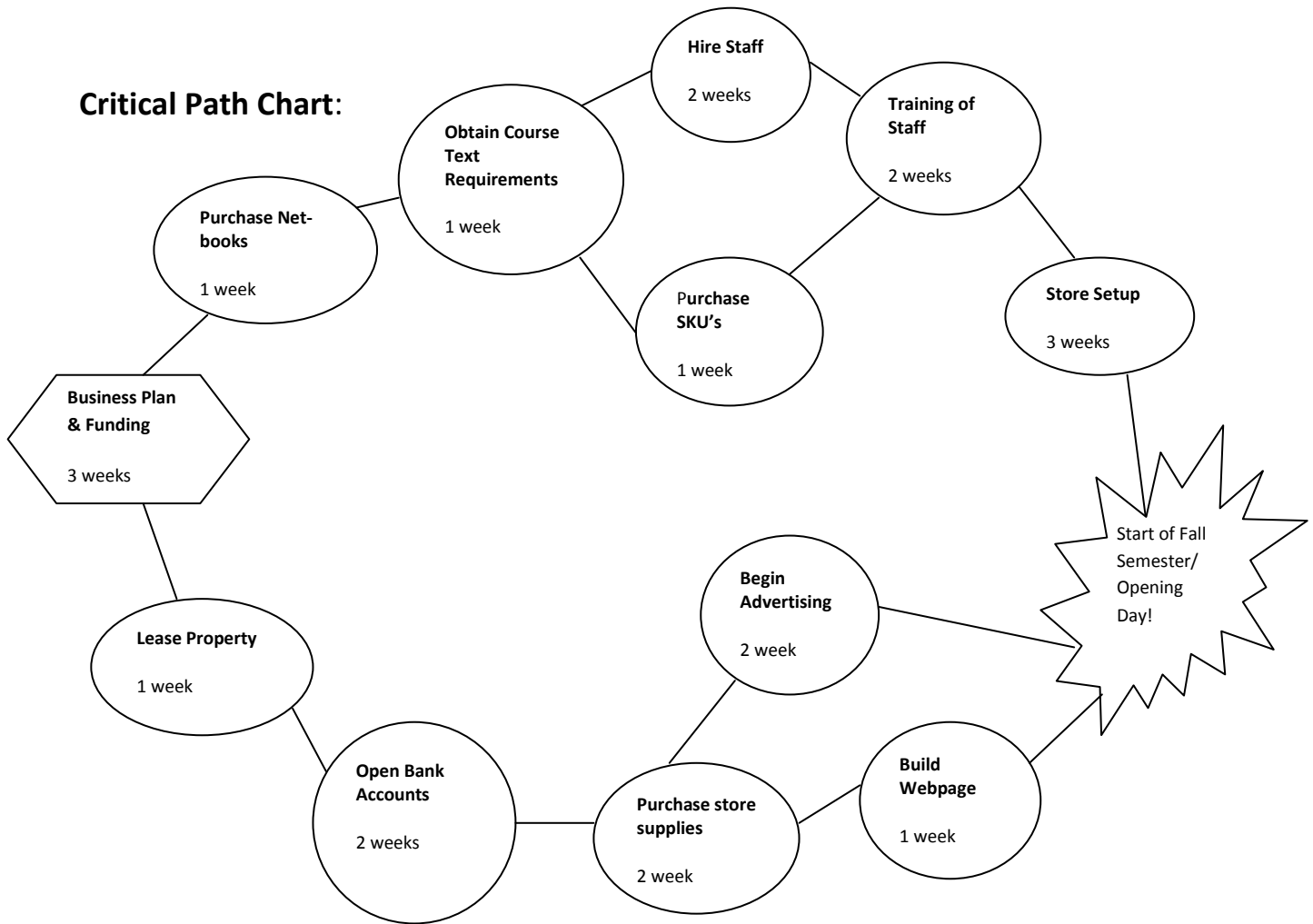
Price: The device trumps all other product in price. Our product is \$50 dollars cheaper than the nook which is our closest competitor. Our prices only being \$125 and rental price being \$75 a semester it makes it an obvious option to go ahead and just buy the product.

The concept of our store is new and innovative just like many of the products college students tend to gravitate to. Imagine a place where you can literally lighten your by over 30 pounds and ultimately remove any health risks of carry around all that extra weight. There are also many other reasons why our product stands up so strongly against Savannah State bookstore. For instance our prices will be substantially less because our products are completely paperless. We also will work directly with distributor to get the cost as low as possible, to help our help our customer whose resources are already over stretched with the fiscal burden of coming to college.

Lastly our process is completely eco-friendly and will not harm the environment. With the culmination of these factors our team has presented it is my belief this highly innovative store will create momentous success!

FreshTEXTs LLC.

Critical Path Chart:



————— Denotes Critical Path (24 Weeks beginning March 2011)

Financial Analysis

Capital Requirements

The total cost of the proposed business is projected at \$75,000. The CEO will contribute \$2,550 from his personal savings to aid in the startup with your help. FreshTexts, LLC, would like to finance fifty percent of inventory and fixture requirements.

Costs:

Equipment for Book Store:	\$16,000
Supplies	\$950
3,000 units inventory	\$34,111
Working Capital	\$12,700
Rent Price monthly	\$750
LESS: Owners Contribution	(\$2,550)

Total: \$67,850

Structure of Financing

Ten percent of the \$67,850 in start-up costs will be met by the owner’s contributions. The contribution will be in the form of cash coming from a personal savings account. The remaining amount needed for the project will be requested for in the form of a small business loan from the bank. The owner will offer his cash contribution as well as most liquid assets as collateral for the proposed plan, the financing will be 10% equity and 90% debt.

Financial Forecasts

The annualized Forecasts Statements of Forecasted Balance Sheets and Statements of Cash Flow for the first three years of operations are presented on the following statements. Operations demonstrate that profits of \$37,500, \$42,500, and \$47,500 can be realized in the first three years’ time from the originally borrowed \$12,400. The value of assets will increase from \$23,400 on the startup date to \$28,350 three years later. During the same period, the balance of debt will decrease from \$21,000 to \$16,294. As a result, the equity portion of the business will increase from 10% on the startup date to 37% at the end of three years.

FreshTexts, LLC. Projected Balance Sheet: Year 1

Assets

Liabilities

Current Assets

Current Liabilities

Cash	\$5,934
Inventory	\$34,111
Miscellaneous	\$1,000
Total Current Assets	\$41,045

Accounts Payable	\$21,306
Note Payable	\$2,550
Total Current Liabilities	\$23,856

Fixed Assets

Long-Term Liabilities

Fixtures	\$8,500
Office Equipment	\$2,000
Computer/Cash Register	\$4,000
Signs	\$1,100
Miscellaneous	\$1,000
Total Fixed Assets	\$16,600

Note Payable	\$20,000
Total Liabilities	\$43,856
Owners' Equity	\$13,789

Total Assets \$57,645

Total Liabilities & Owners' Equity \$57,645

*The above information is FreshTexts projected balance sheet for year 1. A balance sheet is a summary of the financial balances of our company Fresh Text. Assets, liabilities and ownership equity are listed as of a specific date, such as the end of its financial year. A balance sheet is often described as a "snapshot of a company's financial condition". Of the four basic financial statements, the balance sheet is the only statement, which applies to a single point in time of a business' calendar year. On our balance sheet chart you see that our total assets for year 1 is 57,645 and total liabilities & owner's equity is 57,645.

Projected Income Statement (Optimistic)

Net Sales	(100%)	\$350,000
- Cost of Goods Sold	(61.4%)	\$214,900
<hr/>		
Gross Profit Margin	(38.6%)	\$135,100
- Operating Expenses	(31.3%)	\$42,286
<hr/>		
Net Profit (before taxes)	(7.3%)	\$92,814

*Average Daily Sales = \$1,167 per day are required to yield a profit of \$92,814 before taxes.

FRESHTEXT'S LLC.

Projected Income Statement (Pessimistic)

Net Sales	(100%)	\$90,000
- Cost of Goods Sold	(61.4%)	\$55,260
<hr/>		
Gross Profit Margin	(38.6%)	\$34,740
- Operating Expenses	(31.3%)	\$10,873
<hr/>		
Net Profit (before taxes)	(7.3%)	<u>\$23,867</u>

*Average Daily Sales = \$300 per day are required to yield a profit of \$23,867 before taxes.

Projected Income Statement (Most Likely)

Net Sales	(100%)	\$200,000
- Cost of Goods Sold	(61.4%)	\$122,800
<hr/>		
Gross Profit Margin	(38.6%)	\$77,200
- Operating Expenses	(31.3%)	\$24,163
<hr/>		
Net Profit (before taxes)	(7.3%)	<u>\$53,036</u>

*Average Daily Sales = \$667 per day are required to yield a profit of \$53,036 before taxes.

This is our Projected Income Statement of our sell goal we are trying to reach after a year. In order to see if our net profit was reasonable we had to break it up to daily sales.

CASHFLOW														
FreshText LLC. (Most Likely)	Year 1:	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
<i>Cash Receipts</i>														
Sales		\$30,000	\$35,000	\$100,000	\$30,000	\$20,000	\$10,000	\$20,000	\$100,000	\$50,000	\$20,000	\$150,000	\$50,000	
Credit Sales		24,000	28,000	80,000	24,000	16,000	8,000	16,000	80,000	40,000	16,000	120,000	40,000	
Collections														
60%-First month after sale					48,000	14,400	9,600	4,800	9,600	48,000	24,000	9,600	72,000	
30%-Second month after sale					8,400	24,000	7,200	4,800	2,400	4,800	24,000	12,000	48,000	
5%-Third month after sale					1,200	1,400	4,000	1,200	800	400	800	4,000	2,000	
Cash Sales					5,500	6,000	12,000	5,000	4,000	1,500	3,500	1,000	950	
Total Cash Receipts					63,100	45,800	32,800	15,800	16,800	54,700	52,300	26,600	122,950	
<i>Cash Disbursements</i>														
Purchases					60,000	3,000	2,000	2,000	4,500	6,000	1,500	7,500	4,500	
Rent					750	750	750	750	750	750	750	750	750	
Utilities					250	250	250	250	250	250	250	250	250	
Bank Note					1,000		1,000		1,000			1,000		
Wages & Salaries					10,000	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
Insurance					3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	

						0	0	0	0		0	0		0	
Advertising						75	75	75	75	75	75	75	75	75	
	Total Cash Disbursements					75,0	17,0	27,0	26,0	29,57	31,0	25,5	32,57	28,5	
						75	75	75	75	5	75	75	5	75	
End-of-Month Balance															
Beginning Cash Balance							-	11,9	16,7	22,4	12,20		23,0	49,77	43,8
							75	50	75	0	-575	50	5	00	
Add Cash Reciepts						63,1	45,8	32,8	15,8	16,80	54,7	52,3	26,60	122,	
						00	00	00	00	0	00	00	0	950	
Sub Cash Disbursements						75,0	17,0	27,0	26,0	29,57	31,0	25,5	32,57	28,5	
						75	75	75	75	5	75	75	5	75	
Equals															
Cash (end-of-month)						-	11,9	16,7	22,4	12,2		23,0	49,7	43,80	138,
						75	50	75	00	-575	50	75	0	175	
Final Cash Balance															
Monthly Surplus/(Deficit)															

CASHFLOW (OPTIMISTIC)														
FreshText LLC. (Optimistic)			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Cash Receipts														
Sales			\$200, 000	\$240,0 00	\$90,0 00	\$350, 000	\$50,0 00	\$40,0 00	\$55,0 00	\$100, 000	\$200 ,000	\$40, 000	\$390, 000	\$100, 000
Credit Sales			170,00 0	192, 000	72,00 0	280,0 00	40,00 0	32,00 0	44,00 0	80,00 0	160, 000	32,0 00	312,0 00	80,00 0
Collections														
60%-First month after sale						43,20 0	168,0 00	24,00 0	19,20 0	26,40 0	48,0 00	96,0 00	19,20 0	187,2 00
30%-Second month after sale						57,60 0	21,60 0	84,00 0	12,00 0	9,600	13,2 00	24,0 00	48,00 0	9,600
5%-Third month after sale						10,00 0	12,00 0	4,500	17,50 0	2,500	2,00 0	2,75 0	5,000	10,00 0
Cash Sales						20,00 0	9,800	9,000	10,00 0	14,00 0	17,0 00	9,00 0	23,00 0	4,000
						130,8 00	211,4 00	121,5 00	58,70 0	52,50 0	80,2 00	131, 750	95,20 0	210,8 00
Total Cash Reciepts														
Cash														

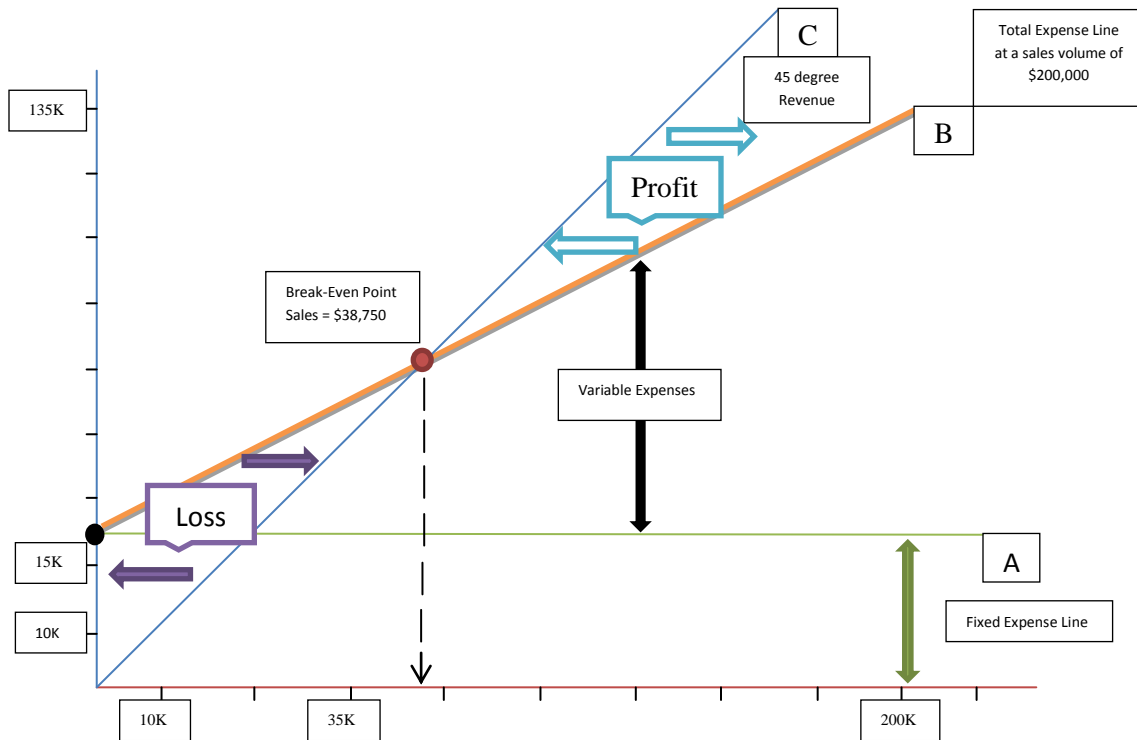
Disbursements														
Purchases					60,000	3,000	2,000	2,000	4,500	6,000	1,500	7,500	4,500	
Rent					750	750	750	750	750	750	750	750	750	
Utilities					250	250	250	250	250	250	250	250	250	
Bank Note					1,250		1,250		1,775	1,775		2,000		
Wages & Salaries					50,000	50,000	50,000	50,000	50,000	50,000	50,000	80,000	80,000	
Insurance					3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	
Advertising					200	200	200	200	200	200	200	200	200	
					115,450	57,200	57,450	56,200	60,475	61,975	55,700	93,700	88,700	
Total Cash Disbursements														
End-of-Month Balance														
Beginning Cash Balance						15,350	169,550	233,600	236,100	228,125	246,350	322,400	323,900	
Add Cash Receipts					130,800	211,400	121,500	58,700	52,500	80,200	131,750	95,200	210,800	
Sub Cash					115,450	57,200	57,450	56,200	60,475	61,975	55,700	93,700	88,700	

Disbursements					50	0	0	0	5	75	00	0	0
Equals													
Cash (end-of-month)					15,35	169,5	233,6	236,1	228,1	246,	322,	323,9	446,0
					0	50	00	00	25	350	400	00	00

CASHFLOWS (PESSIMISTIC)														
FreshText LLC. (Pessimistic)		Year 1:	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Cash Receipts														
Sales			\$30,000	\$35,000	\$50,000	\$20,000	\$10,000	\$10,000	\$20,000	\$45,000	\$35,000	\$20,000	\$90,000	\$40,000
Credit Sales			24,000	28,000	40,000	16,000	8,000	8,000	16,000	36,000	28,000	16,000	72,000	32,000
Collections														
60%-First month after sale						24,000	9,600	4,800	4,800	9,600	21,600	16,800	9,600	43,200
30%-Second month after sale						8,400	12,000	4,800	2,400	2,400	4,800	10,800	8,400	4,800
5%-Third month after sale						1,200	1,400	2,000	800	400	400	800	1,800	1,400
Cash Sales						5,500	6,000	12,000	5,000	4,000	1,500	3,500	1,000	950
	Total Cash Receipts					39,100	29,000	23,600	13,000	16,400	28,300	31,900	20,800	50,350
Cash Disbursements														
Purchases						60,000	1,000	2,000	2,000	1,000	1,000	500	500	1,000
Rent						750	750	750	750	750	750	750	750	750
Utilities						250	250	250	250	250	250	250	250	250
Bank Note						550		550		550	550		550	
Wages & Salaries						10,000	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Insurance						3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Advertising						50	50	50	50	50	50	50	50	50
	Total Cash Disbursements					74,600	15,050	26,600	26,050	25,600	25,600	24,550	25,100	25,050
End-of-Month														

Balance														
Beginning Cash Balance							- 35,50 0	- 21,55 0	- 24,55 0	- 37,60 0	- 46,80 0	- 44,10 0	- 36,75 0	- 45,05 0
Add Cash Receipts						39,10 0	29,00 0	23,60 0	13,00 0	16,40 0	28,30 0	31,90 0	20,80 0	50,35 0
Sub Cash Disbursements						74,60 0	15,05 0	26,60 0	26,05 0	25,60 0	25,60 0	24,55 0	25,10 0	25,05 0
Equals														
Cash (end-of-month)						- 35,50 0	- 21,55 0	- 24,55 0	- 37,60 0	- 46,80 0	- 44,10 0	- 36,75 0	- 41,05 0	- 15,75 0
Final Cash Balance														
Monthly Surplus/(Deficit)														

Break-Even Analysis							
FreshTEXT's LLC.							
<u>Cost Description</u>	-	-	-	<u>Fixed Costs (\$)</u>	-	<u>Variable Costs (%)</u>	
Variable Costs							
Cost of Goods Sold						\$122,800	
Inventory						\$17,055	
Raw Materials						\$1,000	
Direct Labor						\$7,145	
Fixed Costs							
Salaries				\$30,000			
Supplies				\$200			
Repairs/Maintenance				\$75			
Advertising				\$75			
Rent				\$9,000			
Telephone				\$150			
Utilities				\$1,000			
Insurance				\$3,000			
Depreciation				\$2,000			
<u>Total Fixed Costs</u>	-	-	-	<u>\$193,500</u>			
<u>Total Variable Costs</u>	-	-	-	-	-	<u>74%</u>	-
<u>Break-Even Sales Level -</u>					\$38,750		
					 		



FreshText's, LLC:

Break-Even Chart

A -- Fixed Expenses: \$15,500

B -- Total Expenses = FC + VC (expressed as a % of sales) X Sales level

Total Expenses = \$15,500 + .60 (\$200,000)

Total Expenses = \$135,500 at a projected sales volume of \$200,000

C – 45 Degree Revenue Line where; total sales volume sales = total income

Ratio Comparison

Ratio FreshTexts, LLC

*Supply Median

Liquidity Ratios

Current ratio	1.7	1.4
Quick ratio	0.3	0.5

Leverage Ratios

Debt ratio	0.7	0.6
Debt to net worth ratio	3.1	1.8
Times interest earned ratio	N/A	2.6

Operating Ratios

Average inventory turnover ratio	7.2	5.6
Average collection period	N/A	9 days
Average payable period	80 days	17 days
Net sales to total asset ratio	3.5	3.0

Profitability Ratios

Net profit on sales ratio	2.7%	7.5%
Net profit to asset ratio	9.2%	9.1%
Net profit to equity ratio	9.5%	15.0%

*Risk Management Association's *Annual Statement Studies*

Succession Plan: FreshTexts, A Limited Liability Company

Policy statement:

A change in executive leadership is inevitable for all organizations and can be a very challenging time. Therefore, it is the policy of FRESHTEXT'S, LLC. to be prepared for an eventual permanent change in leadership – either planned or unplanned – to insure the stability and accountability of the organization until such time as new permanent leadership is identified.

The board of directors shall be responsible for implementing this policy and its related procedures. It is also the policy of the board to assess the permanent leadership needs of the company (FRESHTEXT'S, LLC.) to help ensure the selection of a qualified and capable leader who is representative of the community; a good fit for the organization's mission, vision, values, goals, and objectives; and who has the necessary skills for the company. To ensure that the organization's operations are not interrupted while the board of directors assesses the leadership needs and recruit a permanent executive officer, the board will appoint interim executive leadership as described below.

The interim executive officer shall ensure that the organization continues to operate without disruption and that all organizational commitments previously made are adequately executed, including but not limited to, staffing is correct, annual reports due, contracts, licenses, certifications, memberships, obligations to lenders or investors of FRESHTEXT'S, LLC.,

It is also the policy of the FRESHTEXT'S, LLC., to develop a diverse pool of candidates and consider at least three finalist candidates for its permanent executive officer position and newly appointed executive board. The FRESHTEXT'S shall implement an external recruitment and selection process, while at the same time encouraging the professional development and advancement of current employees. The interim executive officer and any other interested internal candidates are encouraged to submit their qualifications for review and consideration by the search committee according to the guidelines established for the search and recruitment process.

Procedures for succession:

For a temporary change in executive leadership (i.e., illness or leave of absence) refer to the organization's personnel handbook. In the event the executive officer of FRESHTEXT'S is no longer able

to serve in this position (i.e., leaves the position permanently), the executive committee of the board of directors shall do the following:

Within five (5) business days appoint an interim executive officer according to the following line of succession:

- ❖ Deputy Director of FRESHTEXT'S, LLC.
- ❖ Associate Director of FRESHTEXT'S, LLC.
- ❖ External consultant (with experience as an interim executive officer)

Leadership Transitions

Within fifteen (15) business days appoint an executive transition committee, in the event that a permanent change in leadership is required. This committee shall be comprised of at least one member of the executive committee and two members of the board of directors. It shall be the responsibility of this committee to implement the following preliminary transition plan:

- ❖ Communicate with key stakeholders regarding actions taken by the board in naming an interim successor, appointing a transition committee, and implementing the succession policy. The organization shall maintain a current list of key stakeholders who must be contacted, such as lenders and investors of FRESHTEXT'S, LLC., foundations, government agencies, etc.
- ❖ Consider the need for consulting assistance (i.e., transition management or executive search consultant) based on the circumstances of the transition.
- ❖ Review the organization's business plan and conduct a brief assessment of organizational strengths, weaknesses, opportunities, and threats to identify priority issues that may need to be addressed during the transition process and to identify attributes and characteristics that are important to consider in the selection of the next permanent leader.
- ❖ Establish a time frame and plan for the recruitment and selection process.
- ❖ Refer to the Executive Director Hiring Policy and Procedures in the personnel handbook for additional procedures.
- ❖ The board should use similar procedures in case of an executive transition that simultaneously involves the executive director and other key management. In such an instance, the board may also consider temporarily subcontracting some of the organizational functions from a trained consultant or other organizations.

Appendix

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