

Business Plan

Confidential

Note: *This document is an extended executive summary and is given in lieu of a business plan. Appendices of the financials, support documents, and detailed breakdown of operations may be attached. If they are not, you may request the appendices from:*

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Vision

Echospace will be the leading provider of dynamic web software applications and technologies.

Problem – Solution

Problem #1: The current architecture of the web does not lend itself to dynamic software applications.

Web users have come to accept the fact that the web is a clumsy click, wait, and view interface full of page refreshes. That is, for every action a person makes on a web page they must click on a link, wait for a new page to arrive, and view that new page.

This limits the usefulness of the Internet. It should function like an application with the features and functionality of intuitive dynamic desktop applications, such as Word or Excel. In order for the web to be a viable application platform, it will need to be indistinguishable from current desktop applications.

Problem #2: The development and maintenance of dynamic web applications and controls requires more resources than most companies can afford.

Companies that develop web sites for themselves or others cannot afford to develop the technology necessary for dynamic web controls in-house. They must develop multiple versions of each control for each browser and operating system (OS). Over time this becomes very staff- and time-intensive. For every new version of a browser or OS, every bug found, or every feature added, the company has to develop or change their controls.

If the web is going to have dynamic application capabilities, there needs to be a comprehensive set of controls (application modules) and applications available for companies developing web sites. The controls and applications need to be maintained, supported, and documented. This will allow companies to develop dynamic sites with minimum resources.

Solution: Echospace

Echospace has created a patent pending technology that makes dynamic web-based applications possible. This technology handles multiple requests from the browser to multiple servers without the user ever having to see another page. Coupled with dynamic HTML and JavaScript, this technology can bring desktop-like applications to the web without installations, plug-ins, ActiveX, or Java.

Echospace will package and distribute its applications, controls, and documentation for companies to license, build, and distribute their own web applications without having to worry about cross-browser compatibilities. Echospace will maintain its technology and applications to ensure cross-browser compatibility, stable technology, and the best outsourced web technology solution.

Overview of Products and Services Offered

Applications	Technology	Services
For Testing and Distribution: <ul style="list-style-type: none">• DONE: Email, Address Book, and File Storage Manager• Calendar, Word Processor, Spreadsheet, and more• Custom Applications	Distribute technology: <ul style="list-style-type: none">• EDK (Echospace Development Kit – an API)• Front-end / Back-end solutions	Provide services such as: <ul style="list-style-type: none">• Technical Support• Custom technology and application design• Full Hardware/Software Technology Solutions

How Echospace Becomes a Leader

	Technology / Product	Organization / Marketing
<input checked="" type="checkbox"/>	Step 1: Develop the Technology <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Assemble Development Team <input checked="" type="checkbox"/> Design and Develop the Underlying Technology 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Assemble Advisory Board <input checked="" type="checkbox"/> Raise Seed Funding (\$525,000) <input checked="" type="checkbox"/> Build Business Team
<input type="checkbox"/>	Step 2: Develop Applications and Basic API <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Build Basic Component Driven API (Application Programming Interface) <input checked="" type="checkbox"/> Develop Initial Applications (for test and delivery) <input checked="" type="checkbox"/> Alpha Testing – (Dec., 1999) <input checked="" type="checkbox"/> Beta 1.0 Testing – (Jan., 2000) <input checked="" type="checkbox"/> Beta 2.0 Public Launch – (Feb., 2000) <input checked="" type="checkbox"/> Beta 2.5 External Testing – (Apr., 2000) <input type="checkbox"/> Netscape Launch 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Research Marketplace and Competitors <input checked="" type="checkbox"/> Develop Identity (name, logo, colors, etc.) <input checked="" type="checkbox"/> Develop Industry Contacts <input checked="" type="checkbox"/> Contact ISPs to Conduct Beta testing <input type="checkbox"/> Raise Additional Funding <input type="checkbox"/> Find, Secure, and Move into New Office Space <input type="checkbox"/> Hire Additional Staff (development, marketing, sales, organizational, etc.) <input type="checkbox"/> Expand Management Team
<input type="checkbox"/>	Step 3: Distribute Applications and EDK <ul style="list-style-type: none"> <input type="checkbox"/> Prepare for Distribution (documentation, packaging, etc.) <input type="checkbox"/> Design and Develop Distribution Methods <input type="checkbox"/> License Applications and EDK (Echospace Development Kit) <ul style="list-style-type: none"> - Web Development Firms or Companies with Internal Web Development Staff 	<ul style="list-style-type: none"> <input type="checkbox"/> Initiate PR and Marketing Efforts <input type="checkbox"/> Develop Strategic Relationships/Partnerships <ul style="list-style-type: none"> - Portals, Solution Providers, ISPs, ASPs, etc. - ESPs (Echospace Solution Providers) - Back-End Solution Providers
<input type="checkbox"/>	Step 4: Continue Developing and Distributing Applications and API (EDK) <ul style="list-style-type: none"> <input type="checkbox"/> Expand Technology and Application Capabilities/Offerings <input type="checkbox"/> Provide Updates, Patches, and Support for Technology and Applications <input type="checkbox"/> Continue Distributing Technologies (EDK) 	<ul style="list-style-type: none"> <input type="checkbox"/> Market Additional Products <input type="checkbox"/> Continue Growing Team, Customer Base, Revenue Streams, and Product Offerings <input type="checkbox"/> Focus on Profits <input type="checkbox"/> Attack International Markets <input type="checkbox"/> Brand the Echospace Name <input type="checkbox"/> Continue as Market Leader

The Team

Management

Chad Estes <i>President, CEO, and Co-Founder</i> <ul style="list-style-type: none"> • 13 years experience with computer hardware, software, and Internet technologies • B.A. Business Administration, Marketing and Finance, University of Washington 	Travis Fairchild <i>Executive Vice President and Co-Founder</i> <ul style="list-style-type: none"> • 6 years management experience • B.A. Business Administration, Technology and Innovation Management, University of Washington
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Echospace Staff

The Echospace team consists of 13 employees, including management, and has previous experience from Microsoft, N2H2, Applied Microsystems, Quintessent, Boeing, Paccar, and the University of Washington.

Legal Representation

[John Steel, Senior Partner, Gray Cary Ware & Freidenrich](#)

Mr. Steel has practiced corporate and securities law for over 25 years, with a particular interest on high-growth and technology companies. Mr. Steel has extensive experience in venture capital financings for issuers and investors, and has managed numerous public offerings.

Advisory Board

David Miller <ul style="list-style-type: none"> • President/CEO/Founder, WorkingTrader.com - an investment-oriented Internet startup firm. • Former CEO, Versidata, a developer of auto dealership management software. 	Amer Hassan <ul style="list-style-type: none"> • Director of Business Development, Teledesic • Ph.D. in Electrical Engineering, University of Michigan, 1988 • 45 published papers, 32 patents, and 2 books 	David Anastasi <ul style="list-style-type: none"> • President & CEO, Global Chipcard Alliance • Former VP/General Manager USWEST Public Access Solutions & Smart Card Division • Board of Directors, Smart Card Forum
Alan Leong <ul style="list-style-type: none"> • Masters of Engineering, University of Washington • Technology management consultant and partner - The Redmond Group 	John Kobasic <ul style="list-style-type: none"> • Former CEO/Co-Founder, Kobasic/Hadley Advertising Agency • 25+ years experience in the advertising industry 	Ari Engelberg <ul style="list-style-type: none"> • Co-Founder & Former V.P. of Business Development, Stamps.com • Co-Founder, Archive, Inc.

Investors

The following individuals participated in the [seed round](#) of funding, generating [\\$525,000](#):

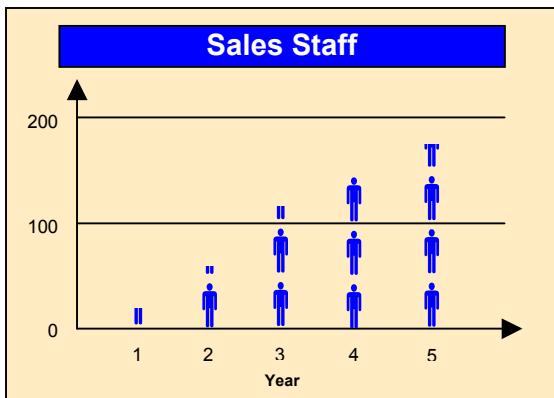
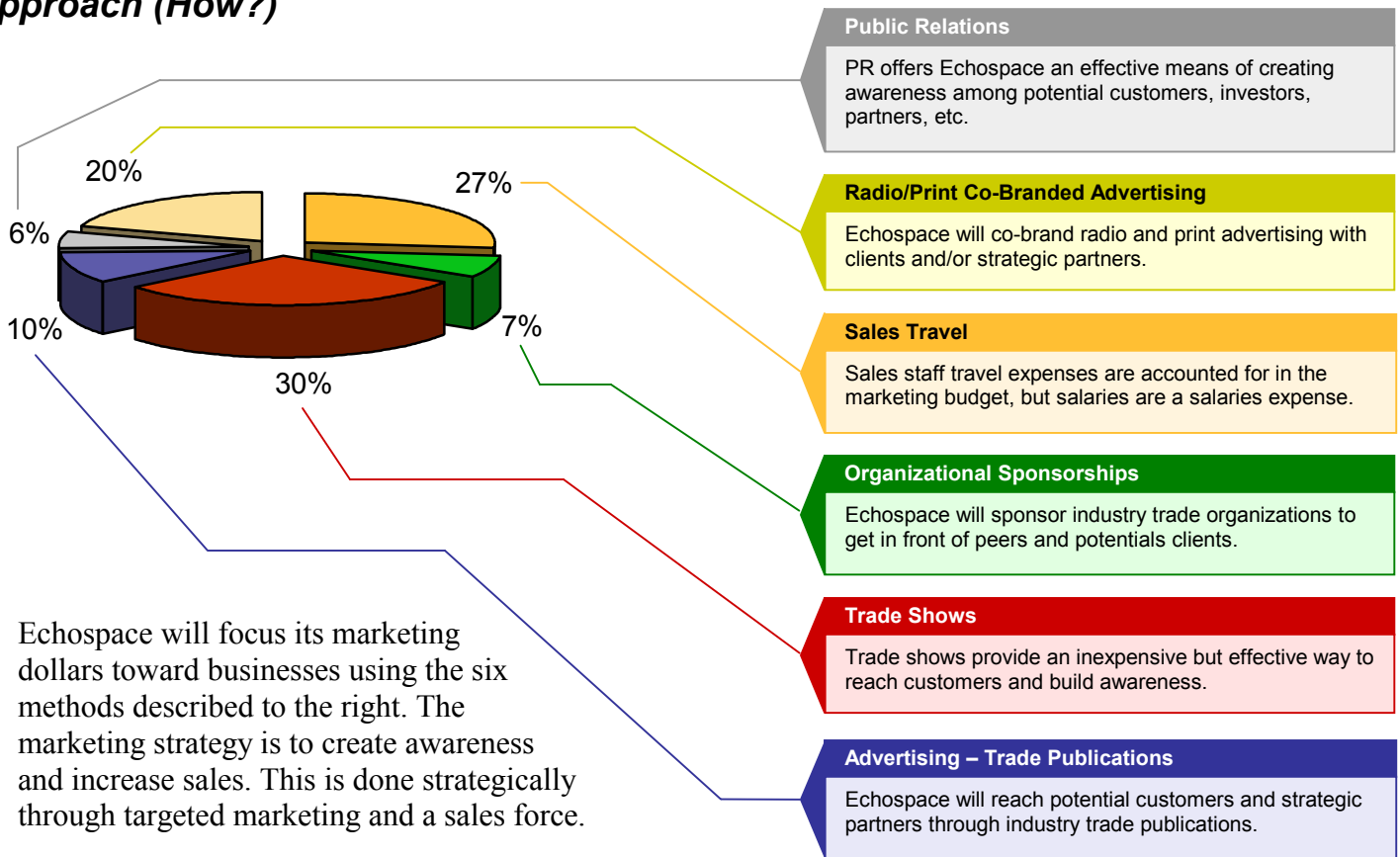
Stephen Handley <i>Board of Directors & Former Advisory Board Member</i> <ul style="list-style-type: none"> • Former President/CEO/Founder, Dynamote Corporation • Former President/CEO, IKON Data Systems Division, Synergistics Corporation • MBA, Harvard Business School • Invested in five venture capital funds and advises one 	Larry Estes <i>Board of Directors</i> <ul style="list-style-type: none"> • CFO, The Noel Corporation (and its subsidiaries) • CFO, Northwest Microwave • 30+ years business experience • Contacts for capital and banking 	Rodger Noel <ul style="list-style-type: none"> • CEO, The Noel Corporation (and its subsidiaries) • CEO, Northwest Microwave • 30+ years business experience • Board of Directors, Containers Northwest Corporation
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Marketing

Target Segments (Who?)

Public Sites/Portals	Service/Product Providers
<ul style="list-style-type: none"> • Destination Portals (Yahoo!, Excite, etc.) • Vertical Portals (industry specific) • E-Commerce Sites • ISPs (web sites – small portals) • Corporate Intranets 	<ul style="list-style-type: none"> • Wholesalers (Critical Path, etc.) • Web Site Developers • VARs • ASPs • Software Companies

Approach (How?)



A national sales team will exist in the short term. Headquartered in Seattle, our initial sales team will attend trade shows and become involved in industry organizations traveling to customers' locations to close accounts. An international sales team will exist in the long term to act as a point of contact for customers that live and work abroad. An international presence is also important to become locally responsive.

The Echospace sales team will be responsible for nearly all sales, with the exception of large accounts such as Yahoo! or Amazon, etc., where management will make the sale.

Revenue Models

Licensing

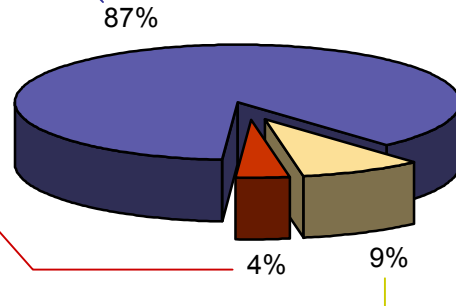
Echospace will charge companies for use of its applications and controls. Fees will be typically based on a \$x per y amount of users. However, it will not be uncommon to see other structures. Fees are paid primarily for documentation and support, including updates and patches. Fees will vary per contract.

Advertising Royalties

Besides fees, Echospace will offer firms the option to share revenues either as a substitute or complimentary to licensing fees.

Value Added Sales (including support)

Echospace will provide the entire solution for its clients. This includes interface, server-side, and hardware solutions. Echospace will be able to purchase hardware and hardware support in bulk and resale for a profit.



Financials

Financial Summary

(All numbers in 000's)

Year	1	2	3	4	5
Revenues	\$1,434	\$10,123	\$29,086	\$66,060	\$129,555
Advertising Budget	1,738	3,633	6,397	12,274	23,549
EBITDA	(3,128)	(1,736)	3,932	18,253	52,350
Net Income	(3,193)	(1,955)	3,465	12,023	33,511
Beginning Cash Balance	0	1,485	18,753	21,055	31,288
Ending Cash Balance	1,485	18,753	21,055	31,288	60,218

What Echospace Is Looking For

A Partnership

- ⊕ \$3 to \$5 Million
- ⊕ Guidance
- ⊕ Strategic Relationships and Contacts
- ⊕ Increase valuation of Echospace and the Investor's Portfolio