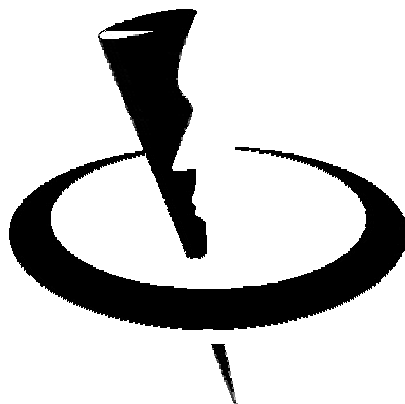


BUSINESS PLAN



Beckles Enterprises, Inc.

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I. Executive Summary

Challenge

As the business world experiences a paradigm shift affecting how all companies market their products and services, and as more entrepreneurial startups desire to competitively enter the marketplace, the need for technology-driven Internet eCommerce solutions will increase. Corporations, small businesses, and entrepreneurs will be challenged to partner with the right eCommerce solutions company to assist them in exploring the vast possibilities which the Internet presents to them.

Beckles Enterprises, Inc. (BEI) is uniquely-situated to provide a solution for this challenge by offering these companies and individuals eCommerce solutions designed to complement their current marketing mix. These companies will be able to establish a solid Internet presence which will not only inform and educate consumers about their particular products and services, but also serve as its own profit center by offering the ability to effectively market directly to the consumer.

BEI is an eCommerce solution provider founded in 1994 to furnish cutting-edge Internet technology services to corporate clients. The Internet has rapidly evolved from a tool used primarily by the academic world, the federal government, and huge corporations to a communications and entertainment commodity used by millions of individuals and businesses around the world on a daily basis. eCommerce, the sale of goods and services over the Internet, has tremendous potential and BEI, as an established company in a very competitive environment, is uniquely poised to capitalize on this and become a strong player in the eCommerce Solutions market.

Industry

Corporations and federal government agencies have invested billions of dollars and spent millions of hours researching, developing and deploying eCommerce Internet technologies. As a result of that investment, there is a particularly strong demand by business to have competent Internet companies with eCommerce knowledge and experience to deliver their products to the marketplace. Without exception, industry forecasters agree that eCommerce will soar during the next five years, with explosive growth in eCommerce rivaling the recent growth of the Internet itself. According to a June 1999 report by International Data Corporation (IDC), explosive growth of the Internet will thrust Internet purchases sky high. In recent market research, IDC reports the amount of commerce conducted over the World Wide Web will top a staggering \$1 trillion by 2003¹.

¹ June 1999 Study Performed by IDC, available online at <http://www.idc.com/Data/Internet/content/NET062899PR.htm>

Opportunity

BEI is poised to assist corporate clients who understand the potential of eCommerce and seek to take advantage of the expansion of commercial activities on the Internet. Our **Revenue Enhanced Partnership (REP)** program allows companies with little or no Internet experience to “partner” with BEI with a relatively small up-front investment by designating BEI as their Internet Representative. BEI will also continue to provide Internet web site development, redesign, and management services for existing and new clients. Additionally, we will continue to provide Internet hosting for client web sites, will add new clients to the company’s training and consulting practice, and will constantly strive to bring the latest in Internet technology to the business community.

Management

Orman C. Beckles II, the Chief Executive Officer, has over 15 years experience in the computer industry. He has built and successfully managed BEI over the past five years. Prior to working for BEI, Orman was a Senior R&D Engineer for Phoenix Technologies, LTD., having worked on major disk operating systems and Graphical User Interfaces (GUIs).

Other members of the BEI team will consist of well-qualified, experienced individuals with the technical management expertise to make BEI a prime candidate for either a public stock offering or a merger/acquisition with a larger corporate partner within the next three years.

Financial Information

We have seen revenues steadily climb in the past three years, and anticipate further growth into the future.

12/31/97	12/31/98	7/22/99
Year End Actuals	Year End Actuals	YTD Estimated
\$135,717	\$240,781	\$453,550

We can only expect to see revenues continue to grow as we expand our eCommerce and REP programs and attract even more potential clients through the implementation of our marketing plan. We have attached financial projections for 1999 and 2000 in the attached appendix.

II. Company Overview

The company was founded in 1994 as The Imagine Nation Multimedia, Inc. and initially focused on graphical user interfaces and CD ROM products. In 1996 the company was re-organized as a Massachusetts C-Corporation and changed its name to Beckles Enterprises, Inc. BEI occupies 3,500 square feet of office space at 150 Market Street in Lynn, Massachusetts and currently has a staff of six established employees and nine interns. Initially we operated exclusively with interns, but have recently decided to shift toward hiring interns on a part-time basis to help fill necessary positions. The company has been profitable since its inception and currently has no outstanding debt other than short-term accounts payable.

Currently, BEI's client list includes CMG Information Systems, Cyber Sports Live, Golf Day, The Friday Forum, Woodworkers Warehouse, Trend Lines, Post Tools, Talk America, Kabbalah Research Centre, Provereal, Jay Kakas, Satch Sanders, Jungle Apparel, Alpha Software, Texas Instruments, Olivetti, Interactive Data Corporation, MarkeTVision, Itzhak Perlman, Aspen Technology, Chaners Publishing, Butterworth-Heinaman, Hartford Insurance, ProSource, and Course Technology. In addition, BEI has a number of other clients who have either purchased the company's products or for whom we provide a variety of consulting and training services. To date the company has created over 100 web sites for corporate and other clients, and currently hosts over 150 different web sites. A list of BEI produced web sites is attached in Appendix A.

III. Industry Overview

The Internet

In 1969, The US Department of Defense initially created the ARPANET as a communication network. For the first decade that the ARPANET was in existence, it was primarily used to facilitate e-mail, support online discussion groups, allow access to distant databases, and support the transfer of files between government agencies, companies and universities. However, with the conversion of the ARPANET to the TCP/IP protocol (enabling all of the networks of the Internet to send data back and forth), and the development of the HTML language in the next two decades, what we now know as the Internet was born.

Recently, as the Internet has shifted from the realm of Government / Academia into the private sector, it's growth has been exponential. The Internet and World Wide Web have grown from being primarily a network used by government agencies to become the fastest-growing entertainment and informational medium available. According to the June 1999 Nielsen Media Research / NetRatings, Inc. report, the current worldwide Internet Universe is over 105 Million people.² Even though these figures are remarkable, the fact remains that the potential for future

² According to Nielsen Media Research / NetRatings, Inc. statistics released 7/14/99. Available online at http://www.nielsen-netratings.com/press_releases/pr_071499.htm.

growth simply cannot be overstated. Considering that only 25% of the US population³ and 2% of the world's 5.9 billion population⁴ is currently online, the potential for growth is astronomical.

As the world's population flecks to the Internet, it will be imperative that all companies, big and small, develop and maintain a strong Internet presence to remain competitive in the current Information Age. Additionally, with the rapid change of Internet technology, companies will have an essential need to not only maintain their current Internet position, but also develop new strategies to implement the new technologies into their existing web sites.

eCommerce

eCommerce can be defined as the purchase of products or services over the World Wide Web. In comparison to the overall Internet, eCommerce is still in an infancy stage. The growth of eCommerce in the next four years will rival the growth of the Internet itself. Reports on eCommerce from major national players such as International Data Corporation (<http://www.idc.com>), The Industry Standard (<http://www.thestandard.com>), and Forrester Research, Inc. (<http://www.forrester.com>) show estimated U.S. eCommerce sales figures ranging from \$1.0-\$1.4 trillion by 2003. This activity includes both business-to-consumer (retail eCommerce) and business-to-business sales.



Figure 1 - eCommerce Comparison

Retail eCommerce

When most people think of eCommerce, this is what they are referring to- the direct sale of goods and services from business to consumers. Many of the advantages of eCommerce were first exploited by retail "e-businesses" such as Amazon.com, eTrade, eBay, and Auto-by-tel. These companies were created as Internet versions of traditional bookstores, brokerage firms, auction houses, and auto dealerships. Freed from the geographic confines and costs of running actual stores, such firms could deliver almost unlimited content on request and could react and make changes in close to real-time. Compared to traditional retail or catalogue operations, this new way

³ AC Nielsen Netwatch statistics available online at <http://acnielsen.com/services/media/netwatch/index.htm>.

⁴ 1998 Official United Nation World Population Estimates (<http://www.popin.org/pop1998/>).

of conducting business is changing cost structures. The emergence of these types of e-businesses has made their “brick and mortar” competitors consider their own eCommerce strategies, and many are now operating or planning to operate their own online stores. It is also leading to a new breed of entrepreneurs who will utilize the Internet to realize their dreams of delivering their products or services directly to the marketplace without high start-up or overhead costs.

Business-to-Business eCommerce

Although retail eCommerce gets most of the attention, the simple fact remains that spending on business-to-business eCommerce was more than 500% higher than spending on business-to-consumer eCommerce (\$43 billion to \$8 billion). Additionally, the gap between those two segments of eCommerce is expected to continue to grow, with retail eCommerce projected at \$108 billion in 2003 compared to business-to-business sales which are expected to reach as high as \$1,331 billion during the same period⁵.

eCommerce-Related Advertising

Although it is mostly considered a complementing product supporting the eCommerce sales transaction, advertising on the Internet is a powerful source of revenue in the Internet marketplace. According to the Internet Advertising Bureau (IAB), Internet advertising was projected to exceed \$2 billion in 1998⁶, and is expected to grow to upwards of \$7 billion by 2002⁷.

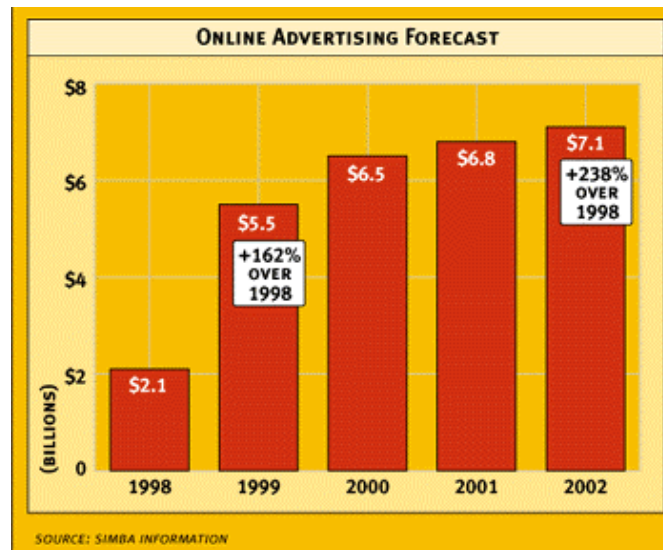


Figure 2 - Online Advertising Forecast

⁵ Maryann Jones Thompson, “Spotlight: Corporate E-commerce Kicks Into Gear “, (<http://www.thestandard.com/metrics/display/0,1283,865,00.html>)

⁶ Internet Advertising Bureau (IAB) press release (<http://www.iab.net/news/content/billion.html>)

⁷ Maryann Jones Thompson, “Net Ads to Break \$7 Billion in 2002” (<http://www.thestandard.com/metrics/display/0,1283,867,00.html>)

As existing companies struggle to maintain and expand market share and new participants enter the marketplace, the role of advertising will become even more important. The need to effectively market products and services in the future will require that Internet advertising dollars be spent on more than just banner ads, leaving endless possibilities for eCommerce solutions which are based on developing and enhancing powerful symbiotic relationship between different companies and complementing web sites.

Opportunity Rationale

As the Internet continues to grow, more and more businesses are going to require integrated eCommerce solutions to effectively promote and sell their products and services online. For many companies this will simply mean the development of Internet web sites with online stores requiring associated hosting services, while other companies and entrepreneurs will require complete eCommerce solutions utilizing the latest in Internet technology and marketing strategy. BEI is uniquely prepared to help these individuals and companies meet the challenge that eCommerce presents by offering integrated eCommerce services such as web site design and hosting, our Revenue Enhanced Partnership (REP) program, and eCommerce advertising.

IV. Products & Services offered by Beckles Enterprises, Inc.

Web Site Development

Beckles Enterprises builds successful web sites from the ground up, assuring our clients continuity of design and content as well as the possibility of attracting advertising revenue. A well-developed, well-positioned, correctly-marketed web site can pull in an audience ranging from several hundred, to several thousand, to several million visitors per day. High volume web sites present companies with significant potential for marketing and profit opportunities which is not just limited to website sales income, but also advertising and partnering opportunities.

The Internet gives BEI and our customers the ability to market products and services to a national, if not worldwide, audience. Our ability to offer audio, video, programming, eCommerce, and other user interactive interfaces over the Internet is extremely beneficial to our clients. A small company can effectively compete in a global marketplace without "brick and mortar" expenses. Small businesses, entrepreneurs, homemakers, retirees, in fact almost anyone, can have an Internet presence in order to market and sell products to the world. For any business or Internet venture, this translates into a lot of bang for their marketing buck.

Each web site we create is programmed to generate detailed reports on who is accessing the web site. Information includes number of unique visitors, time spent on the site, page(s) viewed, email address of the user, which site the user came from and which site the user left to go to. Our clients can access these reports 24 hours a day through the World Wide Web. Additional marketing information is available to our clients through the use of online feedback forms that can be directly emailed to our users or kept on file in a database for statistical analysis.

Hosting

Beckles Enterprises owns and operates a high-speed network server (computer) which is wired directly into the fiber-optic backbone of the Internet. This server provides BEI with the opportunity to offer our clients a “home” for their web sites—a service known as hosting. In addition, since we have direct control over the server, we can easily offer our clients enhanced interactive features such as audio and video programming on their individual sites. As the distinction between the Internet and TV continues to blur, our ability to provide enhanced services for our clients will allow a small company to make their own Internet infomercials accessible to a worldwide audience, adding a great deal of value to our service.

eCommerce

BEI provides its clients with the latest in eCommerce solutions including the ability to create online stores complete with shopping cart software, credit card approval, customer tracking and support, and instant advertising which can be deployed on a small or massive scale. As a member of Microsoft's Site Builders Network, we are kept up to date on the latest Internet software solutions. In many cases we get to receive beta (pre-market) versions of software to demo and evaluate. A positive consequence of this is that we have the ability to not just be aware of new technology innovations, but be able to "hit the streets running" in offering these products to our customers when the product is released.

The core of BEI's eCommerce program is our dedicated team of technology and marketing experts who help BEI stay on top of the cutting-edge in eCommerce solutions. One of our overriding corporate goals is the promotion of consumer confidence with respect to the secure use of credit cards over the Internet. Every visitor to a BEI-designed web site who makes a credit card purchase must be confident that his or her credit card information will not end up floating around somewhere in Cyberspace.

Revenue Enhanced Partnerships (REP)

Our REP program is a cornerstone of our eCommerce Solution programs. Beckles Enterprises actively seeks high profile companies that have products that will sell easily over the Internet. Through our REP program we offer these companies professionally designed web sites for a minimum startup investment.

The primary objective of the REP program is to secure exclusive marketing rights to introduce those products and services over the Internet. To accomplish this we literally go into business with our clients: in exchange for discounted web design and hosting services, we receive a commission on each product sold on the client's web site. Under BEI's REP agreement, our clients give us long-term rights to represent their products on the Web, which in effect grants BEI exclusive eCommerce rights to their products. Beckles Enterprises becomes the only company legally authorized to market the client's products and services over the Internet.

In this manner, we view our clients as partners in an online retail venture and are highly motivated to assist them in marketing their products and services to a worldwide audience. In addition to being practical, securing the exclusive marketing rights to a client's product is also profitable. Our REP client agreements specify that at any time Beckles Enterprises may chose to sell these marketing rights to another web site Development Company.

Current Revenue Enhanced Partnerships

To date, BEI has been able to secure many significant REP contracts. The two most significant are Talk America and the Kabbalah Research Centre. These two companies, which have combined revenues exceeding \$160M, have contracted exclusively with BEI to develop, maintain, and host their web sites in exchange for a small sales commission. Other accounts that have taken advantage of the REP Program include New England Surfcaster, Jungle Apparel, Grannyworld, and SatchCamp.

Talk America (<http://www.talkamerica.net>) is a marketing firm located in Portland Maine that markets a wide assortment of products via the Internet, radio, TV, print, direct mail, and inbound and outbound telemarketing. In 1997, Talk America had revenues of over \$100M. BEI has a contract with Talk America that grants exclusive Internet sales rights to BEI, providing us with a 5% commission on all Talk America sales ordered directly over the Internet or called into a special 800 numbers provided on the web site. There is some risk in this relationship, however, as Talk America has recently filed for bankruptcy protection, and it may not be in either party's best interest to continue this relationship past the contract's October 1999 renewal date.

Another one of BEI's long-term REP contracts is with the Kabbalah Research Centre (<http://www.kabbalah.com>). This international organization, with reported annual revenues of over \$60M, contracted with BEI to create and host a web site that offers religious classes and services over the Internet. The contract provided for payments of \$4,500 for the first 4 months of the contract to cover design and operating expenses. Additionally, the contract calls for royalty payments to be paid for all purchases and donations given through the site's store.

In addition to these existing REP contracts, BEI is also currently exploring the possibility of producing eCommerce stores under the REP program for our Cyber Sports Live and Surfcaster sites.

Original Content Website

BEI believes that a key to our long-term success is the ability to offer originally-created or produced website content to a worldwide audience. We have attempted to do this by aligning BEI with highly respected experts and leveraging their professional expertise along with our knowledge of the Internet and eCommerce in order to build dynamic, content-rich, interactive websites. The goal of these sites is to draw repeat consumer visits in order to explore the possibilities of revenue generation through advertising and subscription services.

BEI has been dedicated to bringing original content websites into the marketplace in order to increase our presence on the Internet and to build new business alliances that can lead to increased revenue sources. These sites allow BEI to control website content and our marketing message. It also allows us the opportunity to reach the consumer directly, utilizing them as a source of leads for current and future customers. Two excellent examples of BEI's original Content web sites are The New England Surfcaster and CyberSports Live.

The New England Surfcaster

The New England Surfcaster (<http://www.surfcaster.com>) is a site dedicated to "*Serving New England and the World as an Educational Resource for the Preservation and Sport of Fishing.*" It was brought online in 1996 and currently receives average traffic of 35,000 hits per week. Built as an informational resource for those interested in the sport of fishing, Surfcaster also allows BEI to directly market fishing apparel and accessories to the consumers. Another area where we have been able to realize profit potential on Surfcaster has been with our business partnering arrangements. We invite businesses to have BEI build them a website on the Surfcaster site for fees running from \$175 (1 page site) to \$750 (10 pages) not including a monthly hosting fee (\$20/month). This allows partnering businesses the opportunity to market to an exclusive niche market (those interested in the sport of fishing) directly, providing a powerful targeted Internet presence for a low cost, with BEI being able to realize web site design and hosting income as well. Additionally, Surfcaster allows for BEI-operated online stores, as well as classified advertising and onsite advertising.

CyberSports Live

CyberSports Live takes an existing concept—the call-in sports radio show, and takes it to the next level—making it available on an interactive, internet-only format. The show is broadcast live over the Internet, available on the CyberSportsLive.com website with planned broadcast expansion onto Broadcast.com, a division of Yahoo!

Our first CyberSports Live (CSL) Internet show features Upton Bell, a former GM of the New England Patriots and current talk show host along with special guest-host appearances by television's Bob Lobel. Guests on this show will include such personalities as Will and Sean McDonough, Bob Ryan, Doug Flutie, Bill Parcells, as well as many other well-known sports celebrities.

Advertising revenue from the show is projected to reach approximately \$350,000 annually, and even though the site and show are in the development phase, we have received commitments for over \$24,000 in advertising and have secured a first-class broadcast location at The Good Times Emporium in Somerville Mass.

Once we have developed a working business model for the Upton Bell Show, our intention is to expand nationally with shows scheduled in additional markets such as New York, Chicago, Los Angeles, Atlanta, Baltimore, and Washington D.C. to name a few. These will be separate

business units who will pay a monthly licensing fee to CSL in order to have their shows broadcast over the CSL website. CyberSports Live will also explore the possibility of forming a strategic alliance with an industry leader in the field of “traditional media” sports coverage such as a local network affiliate or specialty sports network in order to access their clearing rights to allow us the ability to broadcast game highlights and replays on demand.

We are also currently exploring the possibility of incorporating membership subscription component into the CSL website. For a marginal monthly fee, site subscribers would be able to access a special members only section which would contain certain non-public features such as live Internet chat with sport writers and celebrities, extended CSL broadcasts and interviews for members only, access to CSL-exclusive fantasy sports leagues, special member-only discussion boards, access to an exclusive members newsletter, and the ability to interact live with CSL talk show hosts and guests.

CSL will also strive to build a sense of community among its members by coordinating special CSL members-only events such as local sports tailgate parties, creation of special CSL fan sports clubs, and promotion of special CSL travel and game ticket vacation packages. We will also attempt to hold special parties for sporting events such as the Super Bowl, NCAA Final Four, The World Series, The US Open, NBA and NHL finals, as well as other events in sports such as golf, soccer, and horse racing, to name a few. Many of these events will be telecast live over the Internet and available only in the members areas.

The success or failure of this venture will be determined by our ability to gain advertising revenue for each individual show and the site as a whole. We will also rely heavily on our ability to offer high-quality consumer content including show hosts, guests, and member activities. The success of this venture will also be heavily determined by our ability to successfully market our customer base to select eCommerce partners and the level of adoptions these customers have to the partners’ products and services.

eCommerce Advertising

Beckles Enterprises, Inc. is able to use the synergy of its position as a superior web site developer to cross-advertise our clients’ sites. For example The New England Surfcaster (<http://www.surfcaster.com/>) is a website which is wholly owned by BEI and gets over 5000 hits each day. BEI is currently able to market that traffic potential to related web sites, including current and prospective web site customers. We can also utilize advertising resources (such as banner ads, affiliate programs, etc.) to "cross-advertise" our other customers' web sites on popular sites such as this.

BEI is also able to offer custom-designed advertising packages utilizing both Internet and “traditional” advertising sources. The most common area of eCommerce advertising that we are able to offer to our customers is banner advertising. Our visual arts department is able to create attractive banner advertisements in-house which can be placed on traditional (search engines,

high-traffic web sites, etc.) and non-traditional (smaller niche/specialty web sites, etc.) advertising mediums in an effort to increase web traffic to our customers web sites.

An additional area of advertising offered by BEI as a benefit to our eCommerce clients is the ability to develop affiliate advertising programs. The concept behind this form of advertising is very simple, in exchange for a small commission if their website is the originating source of a sale, website owners agree to place advertising (in the form of banner ads and storefronts) on their personal websites. This type of system is one of the reasons why companies such as CDNow.com and Amazon.com are where they are today.

Training & Education

Since 1996, Orman Beckles has entered into teaching partnerships with several area continuing education centers and colleges. These partnerships allow the colleges to offer courses on the Internet, web design, programming, eCommerce, and new technologies taught by someone who has practical hands-on experience. Through a tuition sharing agreement, additional income is generated for BEI. Teaching also provides marketing exposure for BEI since the colleges feature the company and its CEO in their many publications. In addition, teaching keeps BEI in close contact with the users of the Internet, helping the company secure sales leads and future business relationships.

To date, classes have been conducted at the Boston Center For Adult Education, North Shore Community College, Newton Community Center, Framingham State College, and The Foundation For Continuing Education.

V. The Market

Electronic commerce over the Internet will soon go from being a competitive advantage for a select few to a competitive necessity for all. To be successful, an Internet eCommerce site must be as easy to use as a telephone and as secure as an ATM machine. During the summer of 1997, the White House unveiled a plan for the promotion of the Internet as a global marketplace. President Clinton and Vice President Gore jointly announced their "*Framework for Global Electronic Commerce.*"⁸ Although the report covered a wide range of topics from taxation to the protection of intellectual property, the most significant factor in the release of the report was the level of attention that the US government will be focusing on electronic commerce. eCommerce is about to experience the same steep growth curve that the Internet itself has experienced over the past five years.

Major US corporations must continue to establish both wholesale and retail 'outlets' on the Internet. As eCommerce expands, BEI will be positioned to provide everything needed to create and maintain a presence on the Internet for its clients whether they are a small, local "basement

⁸ Information on this initiative can be found at the U.S. Government's eCommerce web site at <http://www.ecommerce.gov>.

businesses" or Fortune 500 corporations.

Customers

BEI will be able to effectively market to a wide range of customers, including large corporations, small to medium-sized businesses, Internet entrepreneurs, and home-based businesses.

Corporations

According to InternetNews.com assistant editor Elizabeth Clampet, "corporate spending is predicted to triple, from \$85 billion in 1999 to more than \$203 billion by 2002."⁹ Her report sites a recent survey conducted by International Data Corp. According to IDC's report, companies realize that eCommerce and e-business offer the opportunity to establish new competitive standards by expanding distribution channels, integrating internal and external processes, and offering a cost-effective method to provide products and services. These corporations sell to other corporations and businesses as well as directly to the consumer. IDC's report offers recommendations that directly mirror efforts in line with BEI's own policy. BEI strategy will be to seek and pursue alliances or joint ventures with these corporations in order to optimize positioning of products or services and stimulate demand.

Small to Medium-Sized Businesses

This market segment could very well be the lifeblood of an eCommerce Solutions company like Beckles Enterprises. According to research conducted by IBM, the small to midsize business market is an extremely profitable market segment. Their study uncovered the following statistics¹⁰:

- Small and midsize businesses make up 99 percent of all businesses globally;
- They employ 80 percent of the world's workforce;
- They constitute 45 percent of global IT spending; and
- They account for 60 percent of all Internet spending.

BEI is prepared to offer these companies eCommerce Solutions aimed at increasing their market penetration and gaining significant market share. Our strategy will be to partner with these corporations utilizing our web design, hosting, and REP services. Additionally, these customers, even those with existing web sites produced by other Internet website developers, will be prime candidates for our eCommerce Advertising and Search Engine Placement services.

Internet Entrepreneurs

This is one of the most exciting market segments in terms of Internet marketing. Many entrepreneurs have great ideas for business products and services but do not have the facilities and resources to develop their concept and effectively bring it to the Internet market. We will be able to offer these individuals business facilities through the use of our CyberSuites™, as well as offer eCommerce solutions utilizing our REP program. We will also help these individuals receive

⁹ "Corporate Internet Spending Poised to Triple Soon", Elizabeth Clampet. February 23, 1999. (http://www.internetnews.com/ec-news/article/0,1087,archive_4_72111,00.html)

¹⁰ "Small Business Goes High Tech". IBM. (<http://www.za.ibm.com/news/060398.htm>)

positive consumer exposure to the Internet audience with our eCommerce advertising and Search Engine Placement programs.

Home-Based Businesses

This market segment is mainly comprised of individuals and small partnerships that desire to market a single or small collection of products to the public, but are unable to afford access to normal distribution channels to effectively bring these products to market. Utilizing an Internet web site as their storefront, these individuals are able to market their products globally at a fraction of the "brick and mortar" expense associated with a standard store. BEI will be able to offer them website design and hosting services, online stores with credit card authorization ability, and Internet eCommerce Advertising solutions.

Demand

With the rush of businesses going to the Internet, we expect demand for Internet services to increase exponentially over the next three years. This demand will not just be limited to the design of new sites, but also the complete analysis and overhaul of existing web sites. As we have seen, spending on Internet eCommerce is expected to increase from \$51 billion in 1998 to \$1,439 billion in 2003, an increase of over 2800%! BEI must be prepared to meet this rush head-on by the offering of products and services, which can create an effective Internet presence, or enhance an existing Internet endeavor.

Competition

With the projected growth of the Internet and eCommerce, there has been a rush of web design and hosting companies that have come to the market. According to a 1999 SalaryZone survey conducted by Ziff-Davis, 78% of the webmasters who responded reported an income of at least \$29,000 annually¹¹, making an Internet career very attractive. Furthermore, many schools and education centers have realized the potential for growth, and have developed special programs intended to train individuals in web design and eCommerce.

Additionally, the barriers to entry for someone wishing to open their own design company are very low. Minimally, all an individual needs is a home computer, scanner, and Internet connection. Functions like hosting, programming, and search engine placement can be outsourced, further reducing the investment required to go into business.

Competitive Advantage

Even though there is a large amount of competition, with competition only getting fiercer in the future, BEI is prepared to compete regionally and nationally with both established companies and new market entrants.

¹¹ Ziff-Davis Salary Zone survey, accessed 7/26/99 (<http://www.zdnet.com/enterprise/salaryzone/jt19-q05.html>)

BEI has been in business since 1994, when the Internet was still relatively young. We have changed with the times; going from a company focused on interactive interfaces such as CD ROM products and GUI applications, to a company specializing in providing Internet and eCommerce solutions. We have developed a framework at BEI that will allow us to do more than just continue to react and grow as the industry changes – it is our goal to proactively define local eCommerce initiatives and be a leader in bringing these initiatives to market first.

Another area where we have been able to excel has been in the arena of adult education. By having teaching relationships with organizations such as the Boston Center For Adult Education, North Shore Community College, Newton Community Center, Framingham State College, and The Foundation For Continuing Education, BEI is able to not only advertise its services to a wide audience at no cost, but also able to secure very powerful business leads since our instructors are able to build rapport with the individuals during the times when the course is in session.

We have also developed and maintained many business relationships through former customers, ventures such as CyberDistrict, and our current alliance with the Lynn Small Business Assistance Center (LSBAC). This has given BEI direct exposure in the marketplace, where we are positioned as a respected informational source. This reduces any objections that many feel when interviewing BEI as their solution provider, because we have already established ourselves as experts in our fields.

Lastly, as BEI continues to produce results with its own successful content, and continues to enhance and develop the REP program, we will be able to prove to customers our ability to provide effective eCommerce solutions. We will be able to provide proof based on actual performance, not just empty sales rhetoric, giving BEI an advantage in the marketplace.

VI. The Marketing Plan

It is imperative that BEI not only gets our customers' attention, but also earn a spot on their "short list." We will obtain a spot on these "short lists" by providing a premium service to all existing customers (earning us positive word of mouth advertising), while at the same time positioning BEI in a positive light with potential future customers through proactive, results-oriented marketing.

Sales Strategy

The sales method for BEI involves selling to those who influence and make the final decision regarding Internet investments and advertising purchases. For large corporations, this included managers of business development, MIS professionals, marketing managers, and others in managerial capacities. For small to medium-sized businesses, as well as home-based business and many professionals, this contact will mainly be the owners themselves. Our marketing efforts will cater to these individuals by positioning BEI as a full-service eCommerce solutions provider that will do more than simply provide their business with an Internet presence, but will in fact make

them more successful by allowing them the chance to realize revenue over the Internet. For home businesses, our marketing efforts will additionally stress that Internet success can potentially result in their financial freedom, fulfilling an important psychological need.

Advertising and Promotion

The key functions in any marketing endeavor are advertising and promotion. Although we have been able to build positive name recognition in the communities we serve through good customer service and our education initiatives, at the same time we realize that we must effectively market ourselves to new potential customers. To that end, we have developed a plan that capitalizes on the resources which BEI offers and target market our services to a wide array of businesses in both Lynn and the metropolitan Boston area itself. The thrust of this marketing initiative will be as follows:

Direct Marketing to Existing Businesses

Our sales staff will be responsible for developing specific marketing approaches tailored to specific businesses and industries. Our strategy will be to:

1. Identify a group of companies within a specific industry.
2. Evaluate the current Internet presence of a company in question and the general industry itself, using available online secondary information sources.
3. Produce a critical needs analysis of the industry in question and the specific business we wish to target. This analysis would include components such as Internet presence analysis, industry and eCommerce overview, search engine placement, points for improvement, etc.
4. Introduce BEI and specific points for improvement.
5. Provide effective follow-up.

We will then work with the company as to how we can implement a marketing strategy that capitalizes upon an effective media presence, utilizing both Internet and non-Internet resources.

Enhance Current Education Initiatives

An important aspect of our marketing strategy is the synergistic relationship we have with the adult education centers and local colleges. We provide them with course content regarding the Internet, web design, and eCommerce, and they allow us the opportunity to be positioned as an expert in eCommerce and Internet development with course attendees. The students who take these courses include many of the key decision makers within companies, as well as small business owners and entrepreneurs. We must constantly evaluate that we not only provide these individuals with the highest-level of education possible, but also indirectly market BEI. This has been done through the use of educational handouts with our company URL prominently displayed, as well as online through a special site off of the BEI corporate site (<http://www.ination.com/class/>) with resources available to class attendees. In effect, both of these methods give BEI a source of free advertising, with the hope being that class attendees who are decision makers are able to access the BEI corporate site, become aware of BEI's eCommerce solutions and decide to partner with BEI to furnish them with an eCommerce web site of their

own. This source of warm leads will be much more likely to utilize BEI with less objections regarding the quality of BEI's expertise in the field of Internet web site development and eCommerce.

In addition to the current schedule of courses offered by BEI, we will also be expanding to focus more on corporate educational initiatives that can be given on location or off site. Topics will range from "Internet 101" to "Advanced eCommerce Solutions", and our goal will be to capitalize upon a captured audience of potential decision makers within a corporation.

Develop a "Getting Your Business Idea Onto The Internet" Seminar

BEI is also going to spearhead the launch of a new educational initiative aimed specifically at entrepreneurs. This series of courses will be for individuals who wish to put their business on the Internet or start an eCommerce business from scratch, and will include topics as writing an effective business plan; financing a business start-up using venture capital, bank resources, and BEI/Smart Leasing sources; building an effective web site; and developing a marketing plan or exit strategy. BEI will aim to collaborate on this project with leading business professionals including CPAs, attorneys, VC firms, leasing companies, business development centers, as well as business organizations such as the SBA, Lynn's Small Business Assistance Center, and SCORE, to name a few. The main goal will be to develop sites under the REP program and/or develop sites at a reduced fee for an ownership interest in potential ventures.

Continue to Produce and Promote Original Content

One of the most effective means BEI has available to prove itself as a leader in providing eCommerce solutions is to create original, results-driven content our self. By creating successful BEI-owned sites such as The New England Surfcaster and Cybersports Live, we are able to prove that BEI is a company that is able to effectively produce and position sites that are able to draw traffic and earn revenue. We will continue to look for opportunities such as these, while at the same time exploring strategic business alliances for BEI-produced sites.

Trade Shows

BEI will continue to be involved in the business community and one of the areas where BEI gets to showcase its talents is through regional trade shows. We are committed to having a physical presence at local business trade shows where we can showcase our Internet design services, eCommerce solutions, and our educational initiatives. Additionally, we will look to utilize the trade shows as a source of business leads through trade show giveaways and onsite Internet presence analysis.

“Traditional” Media Sources

Understanding that effective marketing requires a complete media presence, we will continue to explore advertising solutions outside of those mentioned above. We will strive to promote BEI through media outlets such as newspaper advertising, radio marketing, and targeted cable television promotion. As with all of our marketing, the goal will be to position BEI as a leader in Internet technology and eCommerce solutions. We will strive to collaborate in our advertising with other organizations and businesses to keep our costs low and to develop a synergistic message that BEI alone cannot offer. An example of this would be joint advertising by the participants of our “Getting Your Business Idea Onto The Internet” seminar.

VII. Management / BEI Team

As the Internet and the need for eCommerce solutions continues to grow, BEI will be uniquely prepared to capitalize on that growth by increasing our management team. It will be the policy of BEI to hire and retain qualified individuals and to promote employee loyalty of our staff by continuing the existing policy of promoting from within. Currently, BEI has filled or is seeking to fill the following team positions:

President & Chief Executive Officer, Orman C. Beckles II

Orman C. Beckles.

Orman has been with Beckles Enterprises, Inc. since its inception in 1994, serving as President and CEO. Prior to working for BEI, Orman was a Senior R&D Engineer for Phoenix Technologies, LTD., having worked on major disk operating systems and Graphical User Interfaces (GUIs). He currently also serves as a lecturer/guest speaker on various subjects including user interfaces, eCommerce, and the Internet for local and international organizations.

Vice President – Operations and Business Development

Donald Chase

Donald is responsible for helping to oversee all aspects of BEI’s web design business. He reports directly to the CEO and is directly responsible for advising the CEO and all staff with regard to finance, client acquisition and sales, marketing and advertising, research and development, and quality assurance. Additionally, Donald is in charge of developing and implementing strategies aimed at improving BEI’s position in the marketplace, forming new business alliances, developing new consumer educational initiatives, and marketing BEI within the Greater Boston Metropolitan area. Donald is currently finishing his degree at Babson College, has formerly worked in business development in the financial field, and is presently developing his own national real estate Internet venture.

Office Manager

Jane Doe

Jane has been with BEI since 1998, serving as Office Manager and Director of a flourishing Internship Program. She has been responsible for assisting the President in the day-to-day management of all aspects of the company's business, as well as developing and overseeing the BEI intern program. She is instrumental in cultivating and developing new client contacts and maintains a steady influx of sales. Jane, who has a BS in Business / Management from Bridgewater State College, has previously worked in high tech sales, soft and hardlines marketing, and various administrative roles.

Project Manager

Bill M

Bill is responsible for developing web project timelines, ensuring quality control and assurance, creating web site content, and ensuring that all projects are completed within budget and schedule. He advises the CEO of client and project status, and delegates necessary tasks within. He is also responsible for ensuring that all material on the BEI server is regularly cataloged and backed-up.

Head Programmer

William D

William maintains a strong background in Internet technologies, and is currently re-training in the newest programming languages. He is responsible for all aspects of hardware and software evaluation, purchasing, and maintenance. He is also responsible for network, hardware, and software installation (both at BEI and on-site at customer locations). William possesses BS and AS degrees in the Computer Sciences and related fields, and continues to update his knowledge of cutting-edge Internet-related tools and technologies.

Art Director

Amy G

Amy is responsible for creating all of the original graphic content needed for BEI's web site as well as for all client web sites. She also serves as the company's creative director, in charge of overall site look/feel and aesthetics. She performs on and off-site consulting to a number of clients, and is instrumental in developing and executing the arts and graphics related content. In addition, Amy is responsible for the digitizing and publishing of all audio and video material. Amy holds a BA with a concentration in Graphic Arts.

Each of the positions specified above have access to additional full time and part time staff as needed to support their assigned activities. As our client base grows, the staff will be expanded to allow BEI to meet and exceed client expectations. Additional positions within BEI include graphic artists, web site developers, general sales people, and interns.

Professional Support / Board of Advisors

BEI has benefited greatly from its involvement in the business community in Lynn as well as the Greater Boston Metropolitan area. To date, BEI has been able to organize a team of business and professional experts who have been able to assist the company's management in making appropriate business and marketing decisions. Outside of those who are officers of BEI, none of these individuals will be actively involved in routine management decisions.

VIII. Financials and Other Attachments