



GAI Capital Ltd

Equity Investments & Consulting

Business Planning for Capital Raising

***Assisting Our Clients Develop
Successful Business Models to Facilitate
Capital Raising from Professional Investors***

**George A. Isaac III
President/CEO
GAI Capital Ltd.**

West Coast Office:

PO Box 50009

Santa Barbara, CA 93150

Tele: 805.969.6602

Fax: 805.456.6404

gisaac@isaacgroup.com

www.gaicapital.com

Business Planning Guide

1.0 EXECUTIVE SUMMARY

- △ Mission (Why Company was Created and is Needed)
- △ Company Overview
- △ Market Overview & Opportunity
- △ Services or Products & Value Proposition
- △ Business Model & Key Business Drivers
- △ Executive Team & Board
- △ Financial Summary
- △ Investor Highlights (Offering, Use of Funds & Exit Strategy)

2.0 COMPANY OVERVIEW

- △ Company Background (Why company was created; what problem is being solved; background of founders)
- △ Company Highlights (What does company specifically do; How do you do it)
- △ Strategic Objectives & Focus (Key Milestones)
- △ Business Model (How does company make money)

3.0 MARKETS & OPPORTUNITY

- △ Market Situation and Problem/Opportunity Addressed
- △ Value provided to the Market (Level of pain currently in market)
- △ Size and Growth Rates by Market Segments
- △ Alternatives to Solving Market Opportunity/Problem
- △ Overview of Competition and How Competition Could React; How you will Compete

4.0 PRODUCTS & SERVICES

- △ Product and Service Description
- △ Major Product/Service Features & Benefits; How do your products/services solve the problem

- △ Development Status of Products/Services; Remaining Steps to Full Scale Revenue Generation; Independent validation of product/service
- △ Future Product/Service Opportunities
- △ On-Going Product/Service Support Requirements

5.0 MARKETING, SALES & DISTRIBUTION PLAN

- △ Marketing Strategy
- △ Customer Base & Segments
- △ Overall Marketing Plan
 - Sales Strategy, Channels and Sales Cycle
 - Sales and Customer Adoption Process; Customer Switching Costs/Barriers
 - Initial Sales and Promotion Plan
 - Distribution Strategy and Plans
 - Pricing Strategy
 - Market Research & Validation
 - Initial Customer Response
- △ Competitor Barriers to Entry
- △ Strategic Partnerships and Alliances
- △ Product Pricing/Features/Benefits- Product Competitive Positioning
- △ Product/Customer/Distribution Channel Margin Analysis & Unit Volume Plan; Impact of scale/ramp up. Projection of Revenues and Margins by Segment

6.0 OPERATIONS

- △ Operations Strategy (Internal Operations, Out-Sourcing, Joint-Venture, Off-Shore, etc.)
- △ Facility & Equipment Plan
- △ Capacity Analysis, Cost Structure and Economies of Scale
- △ Critical Items Sourcing Strategy & Plan
- △ Back-up/Contingency Plans
- △ Roll-out Plan and Capital Requirements

7.0 TECHNOLOGY & INTELLECTUAL PROPERTY

- △ Overview of Technology
 - Business Perspective
 - Technological Perspective
- △ Competitive Positioning
- △ Product Development Plans, Milestones
- △ Major Development Challenges
- △ Status of Intellectual Property Protection
- △ Licensing, Exclusivity & Ownership of IP
- △ Defensibility of IP

8.0 HUMAN RESOURCES

- △ Executive Management (prior experience, track record, industry/sector expertise, high growth/start-up company expertise, etc.)
- △ Future Staffing Requirements (define skill sets needed for success)
- △ Organizational Structure
- △ Board of Directors & Advisors (why they bring significant value)
- △ Governance & Control
- △ Management Incentives

9.0 KEY MILESTONES

- △ Company Vision & Focus
- △ Key Success Factors
- △ Milestones Achieved to Date
- △ Future Milestones: Timeline and Measurement Criteria

- △ Short Term and Long Term Goals and Objectives

10.0 FINANCIAL INFORMATION

- △ Three to Five Year Financial Projections including Key Assumptions and Revenue and Cost Drivers
- △ Projected Revenues (\$'s, Unit Volumes, & Margins)
- △ Projected Operating Expenses
- △ Projected Income Statements
- △ Projected Cash Flow Statements
- △ Project Balance Sheets
- △ Historical and Current Financial Recap

11.0 FINANCING PLAN & INVESTOR HIGHLIGHTS

- △ Overview of Prior Capital Raises and Current Capital Structure (including options, warrants, other convertibles)
- △ Summary of Current Capital Raise and Use of Proceeds
- △ Current Burn Rate and Timeframe until Next Required Financing
- △ Key Transaction Term Sheet Items
- △ Pre-Money Valuation & Capital Structure
- △ Future Financing Requirements and Milestones
- △ Exit Strategy & Timing of Liquidity Event
- △ Projected Investor Returns
- △ Investor Suitability Requirements
- △ Key Investor Risk Factors

Through rigorous fact-based strategic business planing, a company can improve its success rates, shorten its time frames, and increase the amount of capital raised from the professional investor marketplace in addition to increasing the enterprise's probabily of success!

About GAI Capital ...

George A. Isaac III is the founder, President, and CEO of GAI Capital Ltd. (www.gaicapital.com), a private investment and business consulting firm located in Santa Barbara, California. The firm focuses on high growth, underperforming or financially distressed businesses.

Mr. Isaac has over thirty years of senior executive management and corporate board room experience for both privately and publicly held companies including serving as the CEO for a group of companies in manufacturing, commodity brokerage, and commercial real estate. Prior to Mr. Isaac's operating experience, he was a Management Consulting Partner at Deloitte Consulting, a "Big 4" international financial services and general management consulting firm completing over 100 consulting projects for clients in a variety of industries.

Mr. Isaac has served on twenty-five boards including twelve private and two public company business boards involved in financial services (banking, leasing, and investment management), manufacturing/distribution, technology, professional services, real estate development and management). He has also served as Chair or lead director on board Audit, Compensation, and Investment Committees.

Mr. Isaac's experience as a corporate board member, management consultant, operating executive and private equity investor allows him to provide pragmatic management and board room consulting in a variety of areas including strategy development and implementation, mergers and acquisitions, operations management/turnarounds, financial planning and analysis, and sales/distribution. He has direct experience in managing high growth, turnaround, start-up, and financially-distressed companies. His firm regularly functions as an independent advisor to boards, family businesses, and private investment firms while working directly with a company's CEO and senior management team.

Mr. Isaac, a certified management consultant, has an MBA, with distinction, and B.S.E. - Industrial & Operations Engineering degrees from The University of Michigan. He is also an active member of Young Presidents' Organization (YPO-WPO), Chief Executives Organization (CEO), and the National Association of Corporate Directors (NACD).



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