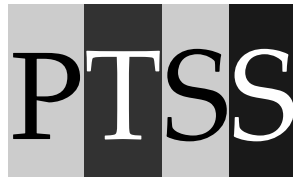


BUSINESS PLAN

Premier Technology & Software Solutions



Prepared By

Eighteen Ventures

A Business Advisory & Consulting Firm

[Www.Eighteenventures.com](http://www.Eighteenventures.com)

Eighteen Ventures

Eighteen Ventures (EV) is a business advisory and consulting firm. In particular, our firm specializes in advising and assisting small high technology firms and aspiring technology entrepreneurs on where to locate and how to secure investment capital.

Our primary role is to help your firm successfully navigate through the complex, time-consuming capital raising process.

Eighteen Ventures' product and service offerings include:

- ▶ Publications
- ▶ Workshop Training
- ▶ Consulting Services

In addition, Eighteen Ventures presents and hosts **Connect With Capital™** - a premier Pitch event that brings Small Business Innovation Research (SBIR) award winners, seeking capital, together with capital providers, who are interested in funding innovative, cutting-edge technologies.

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Premier Technology & Software Solutions' Business Plan

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Premier Technology & Software Solutions' Business Plan

EXECUTIVE SUMMARY

Company Overview

Premier Technology & Software Solution (PTSS) is an information system and software development firm specializing in the implementation of radio frequency identification (RFID) for hospitals. In particular, PTSS provides hospitals with service solutions relating to the utilization of RFID technology for tracking, controlling and managing assets (i.e., medical devices, equipment and supplies).

Service Description

PTSS's primary service focuses on providing hospitals with RFID asset tracking solutions. In particular, the service is designed to help clients fully deploy RFID tags and software to better locate, access, and manage portable medical equipment & devices.

Market Analysis

Research and Markets, a market research and analyst firm, estimated in a report that radio frequency identification in the U.S. hospital sector would be worth approximately \$8.8 billion by 2010. Hardware and software integration will be worth \$1.3 billion, wireless networks \$1.3 billion, enterprise-related software \$1.4 billion and hospital connectivity \$4.8 billion.

A 2006 IDTechEx report forecast RFID tags and services in the healthcare sector will grow from the \$90 million market to \$2.1 billion by 2016.

Healthcare RFID market increased 204% since 2005, according to study conducted by Spyglass Consulting Group. The study, "Trends in RFID 2008," found that 76% of larger health care organizations have invested in RFID-based applications. The study also found that RFID is being used to solve specific business problems but hospital administrators are reluctant to deploy the technology throughout the organization until the clinical, financial and operational efficacy of the tools are demonstrated enterprise-wide.

Market Segment & Market Size

PTSS' primary service users are large urban hospitals with 500 beds, or more, that have a high usage rate of information technology and spend a significant amount of their budgets on information technology. With approximately 8,000 hospitals in the US, the company estimates that about 750 large urban hospitals are actual potential clients for PTSS's service offering.

Competition

The healthcare RFID solutions market is intensely competitive and is characterized by evolving technologies and industry standards, frequent new product introductions and dynamic customer requirements. Some of PTSS's direct and in-direct healthcare RFID competitors include:

Radiance
Mobile Aspects

Agility HealthCare Solutions
Lawson

PanGo Networks
Omnicell

Premier Technology & Software Solutions' Business Plan

Market Strategy

Service Pricing

To install a facility-wide RFID tracking system, the company charges range between \$200,000 to 500,000 that reflects industry standards.

Promotional Plan

The promotional effort consists of the following:

Direct Mail	Service information mailed directly to targeted hospital CIOs and senior hospital administrators.
Exhibit Booth Display	An information booth, manned by a company representative, at the American Hospital Association (AHA) annual conference and the College of Healthcare Information Management Executives (CHIME) annual conferences/meetings.
Publication Advertisement	Placing product information ads in healthcare industry publications: <i>ADVANCE for Health Information Executives, CIO, Healthcare, eHealth SmartBrief, Informatics, Health Data Management.</i>

Management Team

The company is led by a group of seasoned professionals possessing a combined 60 years in the healthcare-information technology industry. In particular, Robert Dibble, the firm's President & Chief Executive Officer, has been directly involved in the healthcare-information technology arena for twenty four years; while the vice-president for finance and administration has twenty years of direct industry experience and the director of marketing and business development has six-teen years of direct industry experience.

Financials

PTSS's projects sales are projected grow to \$3.7 M over the next three years. Within five years, the company expects to achieve over \$5.4 M in sales. From 2009 to 2013, the company expects to earn a profit.

Requested, Use & Exit Strategy

Requesting \$3.5 million in common stock for a 40% ownership. Funding will be used for staff augmentation, new technology development and marketing. Being acquired by a major medical technology corporation is the company's exit strategy.

Premier Technology & Software Solutions' Business Plan

COMPANY DESCRIPTION

Premier Technology & Software Solution (PTSS) is an information system and software development firm specializing in the implementation of radio frequency identification (RFID) for hospitals. In particular, PTSS provides hospitals with service solutions relating to the utilization of RFID technology for tracking, controlling and managing assets (i.e., medical devices, equipment and supplies).

Company History & Present Situation

Incorporated in 2000 as a small, independent research and development firm, PTSS quickly earned a reputation for its work as a software developer. The company, in fact, was able to gain both commercial and government contracts based on its ability to deliver affordable, workable solutions for its customers.

Through its contracting experiences, PTSS was able to identify business opportunities in providing technology solutions using RFID. Presently the company earns a majority of its revenues working for clients needing assistance with the development and implementation RFID technology.

Services

PTSS's primary service focuses on providing hospitals with RFID asset tracking solutions. In particular, the service is designed to help clients fully deploy RFID tags and software to better locate, access, and manage portable medical equipment & devices.

Additionally, the service can be used to monitor the whereabouts of patients and healthcare personnel.

Market Segment & Market Size

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Legal Status

Incorporated in 2005 in the state of Delaware, PTSS is C Corporation.

MARKET OVERVIEW & ANALYSIS

RFID Market Key Findings

Corporate funding and government support are among the major factors that are driving the global RFID industry. The item-level tagging market is forecasted to grow at a CAGR of over 55 percent during 2006 to 2016

According to IDTechEx, the global RFID market continues to grow rapidly, with record orders up to USD 0.5 billion each. In 2008, demand for RFID is on target for USD 5.3 billion globally, and IDTechEx predicts the market will reach USD 27 billion in 2018. Much of the growth is taking place in Europe, but the U.S. and China currently share the top slot as RFID spenders.

Starting from a base of more than \$3.6 billion in revenue in 2007, worldwide RFID markets are expected to reach \$8.4 billion in 2012, according to a study from ABI Research. The 2007 figure represents a 24% growth over 2006, and the curve to 2012 indicates a compound annual growth rate of 21%.

RFID & Healthcare Industry

Research and Markets, a market research and analyst firm, estimated in a report that radio frequency identification in the U.S. hospital sector would be worth approximately \$8.8 billion by 2010. Hardware and software integration will be worth \$1.3 billion, wireless networks \$1.3 billion, enterprise-related software \$1.4 billion and hospital connectivity \$4.8 billion.

A study released by Chicago-based Fast Track Technologies Ltd, predicts the healthcare market for radio frequency identification technology will soar to \$8.8 billion by 2010. In another report by Spyglass Consulting, the number of hospitals using RFID tags to track assets will skyrocket from 10 percent in mid-2005 to 45 percent by the end of 2007. Such programs promise to cut not only costs, but also the time that clinicians and engineers spend searching for equipment, and the time patients spend waiting for it.

A 2006 IDTechEx report forecast RFID tags and services in the healthcare sector will grow from the \$90 million market to \$2.1 billion by 2016.

Healthcare RFID market increased 204% since 2005, according to study conducted by Spyglass Consulting Group. The study, "Trends in RFID 2008," found that 76% of larger health care organizations have invested in RFID-based applications. The study also found that RFID is being used to solve specific business problems but hospital administrators are reluctant to deploy the technology throughout the organization until the clinical, financial and operational efficacy of the tools are demonstrated enterprise-wide.

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Hospital Information Technology Usage

According to the 2007 American Hospital Association Continued Progress Hospital Use of Information Technology report, the key findings were:

- Larger hospitals, those in urban areas, teaching hospitals, and hospitals with positive margins used more health IT. In addition, large and urban hospitals showed greater rates of growth in IT use than their smaller and rural counterparts.
- Hospital spending on health IT is high and increasing.
- The largest hospitals- those with 500 or more beds-74 percent reported moderate or high health IT use in 2006. In contrast, only 23 percent of hospitals with 50 or fewer beds were in the top two levels of IT use.
- Some hospitals are beginning to use radio frequency identification (RFID), a new technology for identifying and tracking items. This technology is at an early stage, with almost 10 percent of hospitals having fully or partially implemented it in both 2005 and 2006.

Market Segment & Market Size

PTSS' primary service users are large urban hospitals with 500 beds, or more, that have a high usage rate of information technology and spend a significant amount of their budgets on information technology. With approximately 8,000 hospitals in the US, the company estimates that about 750 large urban hospitals are actual potential clients for PTSS's service offering.

Market Drivers

Some of the significant factors that are driving the utilization of RFID in the healthcare sector are:

- ✓ Rapidly decreasing cost of RFID tags and readers;
- ✓ Increase in hardware interoperability facilitated by emerging RFID standards such as EPCglobal's Gen 2 spec.;
- ✓ Potential of RFID to reduce medical errors at the same time as clinical workflow and efficiency improve;
- ✓ FDA mandate on hospital drug bar coding and JHACO proposals to use bar coding for achieving patient safety goals; and

Market Barriers

The market barriers that confront the full implementation of RFID technology in the healthcare sector include: RFID tags are expensive compared to bar codes and implementation costs are still very high for providers; lack of proven, flexible standards: tag and reader incompatibilities still exists between rival manufacturers; large amounts of data produced by RFID systems could overload healthcare data systems; and RFID signals can be blocked in certain environments (e.g., liquids, metals) making it less ubiquitous.

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MARKETING STRATEGY

Service Description

PTSS's primary service focuses on providing hospitals with RFID asset tracking solutions. In particular, the service is designed to help clients fully deploy RFID tags and software to better locate, access and manage portable medical equipment & devices. The service relies on active RFID applications, which can be tracked on an RFID network.

Target Market Description & Profile

PTSS' primary service users are large urban hospitals with 500 beds, or more, that have a high usage rate information technology and spend a significant amount of their budgets on information technology.

Industry:	Healthcare (Hospitals)
Size:	500 or more beds
Location:	Metropolitan Urban Area
IT Spending Level	\$1 million to \$5 million
Type:	For Profit
Service Needs:	Asset tracking capabilities to reduce operational, inventory and labor costs.
Primary Client Contact:	Chief Information Officer (CIO)

Service Pricing

To install a facility-wide RFID tracking system, the company charges range between \$200,000 to 500,000, which reflect industry standards.

Promotional Plan

The promotional strategy is based on service information and education campaign aimed at hospital chief information officers (CIOs) and senior administrators. In particular, the promotional effort will consist of the following:

Direct Mail	Service information mailed directly to targeted hospital CIOs and senior hospital administrators.
Exhibit Booth Display	An information booth, manned by a company representative, at the American Hospital Association (AHA) annual conference and the College of Healthcare Information Management Executives (CHIME) annual conferences/meetings.
Publication Advertisement	Placing product information ads in healthcare industry publications: <i>ADVANCE for Health Information Executives, CIO, Healthcare, eHealth SmartBrief, Informatics, Health Data Management, Health Management Technology, Hospitals and Health Networks, and Managed Healthcare Executive.</i>

Premier Technology & Software Solutions' Business Plan

Generation

PTSS anticipates signing contracts with various healthcare group purchasing organizations (GPOs) as one way to generate sales.

A group purchasing organization (**GPO**) is an entity that helps health care providers-such as hospitals, nursing homes and home health agencies-realize savings and efficiencies by aggregating purchasing volume and using that leverage to negotiate discounts with manufacturers, distributors and other vendors. Hospitals and other health care providers use group purchasing to obtain the right products at the very best price. Hospitals and other health care providers are estimated to annually purchase more than \$270 billions of dollars worth of medical devices, office equipment, and hospital supplies. Overall, about 72 percent of purchases that hospitals make are done using GPO contracts.

Sample GPOs:

Amerinet Inc. - a leading health care group purchasing organization. Amerinet partners with more than 27,000 healthcare providers nationwide to reduce costs and improve quality. As a leading national group purchasing organization, Amerinet strategically partners with healthcare providers to reduce costs and improve quality. Through its Total Spend Management solutions and operational performance improvement programs, tools and services, Amerinet assists members in their efforts to reduce costs, improve efficiencies and create new revenue streams. Supported by a team of clinical, data and supply chain experts, Amerinet offers a comprehensive portfolio of product and service contracts to address members' specific needs.

HealthTrust Purchasing Group- a healthcare group purchasing organization. Established in May 1999, we are committed to superior patient care delivered through national contracts negotiated with market-leading suppliers for clinically recommended products and services at competitive prices. HealthTrust's membership has tripled since its inception in 1999 and we now support over 1,300 not-for-profit and for-profit acute care hospitals, including HCA, Triad, HMA, Community Health Systems and LifePoint Hospitals, as well as over 3,000 ambulatory surgery centers, alternate care sites and physician practices. Annual purchasing volume is more than \$13 billion with double-digit annual percentage growth expected.

Novation, LLC- Based in Irving, Texas, Novation is the leading health care contracting services company, delivering unmatched savings and value to nearly 2,500 members of VHA Inc. and the University HealthSystem Consortium (UHC), two national health care alliances and nearly 9,000 members of Provista, LLC (formerly known as Healthcare Purchasing Partners International, LLC (HPPI)). Through its competitive bid process, Novation develops and manages contracts with more than 500 suppliers, both large and small. By combining scale and agility with clinical knowledge and product expertise, Novation offers the most extensive range of advanced contracting services, including: contract development, contract and supplier management, custom contracting, enhanced savings programs, online contract management and analytical tools, order management and online supplier connectivity. VHA, UHC and Provista members used Novation and alliance purchased services contracts to purchase \$31.6 billion in 2006.

Premier Technology & Software Solutions' Business Plan

Competitors

The healthcare RFID solutions market is intensely competitive and is characterized by evolving technologies and industry standards, frequent new product introductions and dynamic customer requirements. PTSS expects continued and increased competition from current and future competitors, many of them have significantly greater financial, technical, marketing and other resources than PTSS.

PTSS direct and in-direct healthcare RFID competitors include:

Radiance	Agility HealthCare Solutions	PanGo Networks
Mobile Aspects	Lawson	OmniceLL
Parco Wireless	Exavera Technologies	SideBand Systems
Blueleaf	Iscan	RF Technologies
Awarepoint	Infologix	AeroScout
Concourse Systems	Global General Technologies	

The competitive challenges PTSS face in the healthcare RFID solutions market include, but are not limited to, the following:

- Our competitors may develop, license or incorporate new or emerging technologies or devote greater resources to the development, promotion and sale of their products and services;
- Certain competitors have greater brand name reorganization;
- Some established or emerging companies may enter the healthcare RFID solutions market;
- Current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties, including larger, more established healthcare supply companies, thereby increasing their ability to develop and offer products and services to address the needs of our prospective customers; and
- Our competitors may secure products and services from suppliers on more favorable terms or secure exclusive arrangements with suppliers or buyers that may impede the sales of our services.

PTSS' future success will depend in part upon the company's ability to enhance its existing services and to develop, introduce and sell services that meet changing customer requirements.

The process of developing, introducing and selling the services PTSS offers is extremely complex and is expecting become increasingly more complex, as well as expensive, in the future as new technologies are invented by our competitors.

Premier Technology & Software Solutions' Business Plan

MANAGEMENT STRUCTURE

Management Team

Robert Dibble, President & Chief Executive Officer

With over twenty years as a professional in the healthcare IT industry, Mr. Dibble founded PTSS to provide innovative software and RFID technology solutions for medical centers. Mr. Dibble earned a B.S. in mechanical engineering and a M.S. in mechanical engineering from the University of Michigan, and a MBA from Ohio State University.

Jack Sanata, Vice-President Finance & Administration

Mr. Sanata, who has a B.S. in accounting and an MBA from Boston College, has held a number of positions with both large and small companies focused on operational budgets and accounting matters. Mr. Sanata served as the Chief Financial Officer for two start-up software firms.

Tina Jones, Vice-President Marketing & Business Development

Starting her professional career in the Public Relations arena, Ms. Jones, over a ten year period, expanded her knowledge, experience and skills to become an expert in both marketing and business development. Ms. Jones possess over 10 years of experience in healthcare sales, 5 of which have been in key leadership and management roles directly associated with providing RFID enterprise solutions to the Acute and Sub-Acute Healthcare facilities.

Ms. Jones earned a B.A. in English Literature from Fairleigh Dickinson University and an MBA from New York University.

Professional Staff

Mary Armstrong, Chief Technical Officer

Ms. Armstrong has 15 years experience in health care information technology management. She previously worked for a software vendor and a national IT consulting firm. She received a BS and a MS in Computer Science from North Carolina State University and an MBA from Duke University.

Ben Jetta, Software Engineer

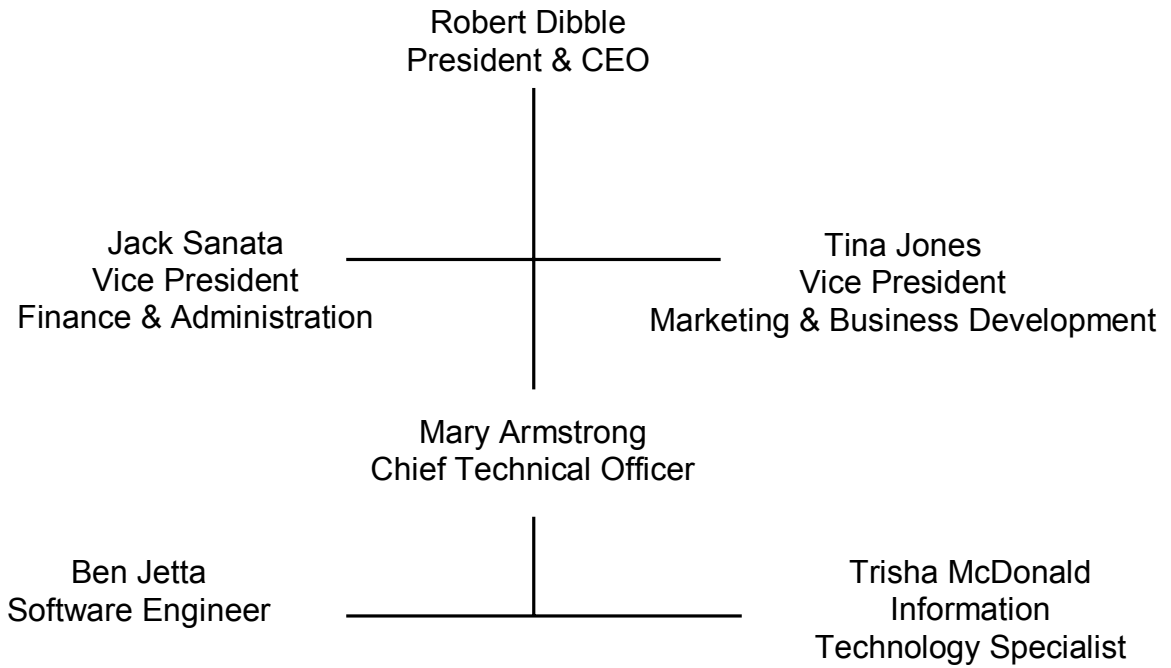
He has over 17 years of embedded systems, software, and hardware design and development experience, and has been active in relevant standards working groups. Mr. Jetta holds a BS in Mechanical Engineering from American University.

Trisha McDonald, Information Technology Specialist

Ms. McDonald earned an associates degree, in Computer Science, from Staten Island Community College, City University of New York and a BS in Computer Science from the University at Albany.

ORGANIZATIONAL STRUCTURE

PTSS's Organizational Chart



Premier Technology & Software Solutions' Business Plan

FINANCIAL SUMMARY

Revenue Model

PTSS revenue model consists of charging an installation fee and an annual service fee for consulting, upgrading, customer support and maintenance.

The company also expects to occasionally generate revenue through research and development projects as a participant in the federal government's Small Business Innovation Research (SBIR) program.

Revenue Stream Breakout Table

<u>Type of Earned Revenue</u>	<u>Yes</u>	<u>Percentage of Earned Revenue</u>
Installation Service	√	50%
Consulting Service	√	35%
Research & Development Contracts	√	15%

Operating Performance (FY 06 – FY 08)

<u>Fiscal Year (FY)</u>	<u>Total Revenues</u>	<u>Total Expenses</u>	<u>Profit Or Net Loss</u>
2006	650,000	569,879	80,121-Profit
2007	790,000	555,987	234,013-Profit
2008	850,000	500,759	349,241-Profit

Fund Requested, Use & Exit Strategy

Requesting **\$3.5 million** in common stock for a **40%** ownership. Funding will be used for staff augmentation, new technology development and marketing. Being acquired by a major medical technology corporation is the company's exit strategy.

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Income Statement Projections

Fiscal Years 2009- 2013

	2009	2010	2011	2012	2013
REVENUES					
Installation Service	2,000,000	2,500,000	3,200,000	3,750,000	4,100,000
Consulting Service	300,000	450,000	1,500,000	1,750,000	2,300,000
Cost of Revenue	460,000	590,000	940,000	825,000	960,000
Gross Profits	1,840,000	2,360,000	3,760,000	4,675,000	5,440,000
EXPENSES					
Advertising	250,000	250,000	260,000	265,000	200,000
Dues & Subscriptions	1,000	1,000	1,000	1,000	1,000
Insurance	10,000	10,000	10,000	10,000	10,000
Marketing	150,000	150,000	170,000	170,000	170,000
Office Supplies	40,000	40,000	40,000	40,000	40,000
Equipment	100,000	100,000	100,000	100,000	100,000
Professional Services	50,000	50,000	50,000	50,000	50,000
Payroll Expenses	60,000	60,000	60,000	60,000	60,000
Office Space	105,000	105,000	111,000	111,000	111,000
Telephone & Internet Srv.	10,000	10,000	10,000	10,000	10,000
Training & Development	40,000	40,000	40,000	40,000	40,000
Travel	60,000	60,000	65,000	65,000	70,000
Equipment Repair	30,000	30,000	30,000	30,000	30,000
Operating Income	93,400	1,454,000	2,813,000	3,723,000	4,548,000
Taxes	28,020	436,200	253,170	1,116,900	1,364,400
Net Income (Loss)	65,380	1,017,800	2,559,830	2,606,100	3,183,600