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AJay Productions Business Plan

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Table of Contents

Table of Contents 1

I. Executive Summary.....3

II. The Company and its Product/Service 4

Company Mission Statement..... 4

The Industry 4

The Product/Service 5

III. Market Analysis 9

IV. Marketing 11

V. Operation, Location, and Facilities 12

VI. Management & Organization 13

Key Management 13

Company Structure 14

Flow Chart 16

Intellectual Property and Employee Agreements.....17

VII. Financial Plan 18

Projected Balance Sheets 19

Projected Profit and Loss 20

Projected Cash Flow Statements.....21

Income Summary Charts.....22

Expense Summary Charts.....23

Net Worth.....24

Break-Even Analysis.....25

VIII. Critical Risks & Contingencies 26

IX. Harvest Strategy 27

X. Overall Schedule and Timelines28

XI. Commercial Storyboard.....29

XII. Appendices.....30

EXECUTIVE SUMMARY

Business Overview

- AJay Productions is a company specializing in marketing and advertising services. We provide all media services including photography, video production, and graphic design. In marketing, we cover needs from market research to social media and direct marketing services. We offer special services from experts in viral videos, and guarantee a return on clients' investment. Our clients consist of small businesses in the Dallas-Fort-Worth area.

Unique Investment Metrics

- AJay Productions solves the necessary business need for media creation in advertising, and marketing of that media. There are companies that specialize in marketing, and there are advertising agencies, but there is no place to go that can take care of a company's marketing and advertising needs under one roof. Small businesses only have to deal with one agency, who also offers special options for increased exposure and package deals, as well as a increased profit guarantee. Due to the holistic nature of operations, we can make services cheaper and create a better outcome for the client.

Success Factors

- AJay Productions will be successful because it caters to a market in which the product and services we offer are necessary and cannot be replicated by another company. Because the nature of the advertising side is creative, we can have a distinct style, and way of doing business that incorporates a financial plan before the work starts, so that when the client signs a contract, there is a guarantee of success in what the client is paying for.

Financial Strategy, Needs and Exit Strategy

- AJay Productions is seeking \$30,000 capital to expand. We wish to grow by hiring employees to fulfill operations needs, buy needed equipment, and increase our own marketing. Equity Investors will get an interest return on their investment based on profits. There is always a possibility a business will fail. The company's assets (mainly equipment) can be used to recoup any potential losses.

THE COMPANY AND ITS PRODUCT/SERVICE

COMPANY MISSION STATEMENT –

- To provide top-quality individually customized marketing, advertising, and media production services to clients, enabling continued sustainable growth for both AJay Productions and its client base.

THE INDUSTRY

- *Overview and Background*

More so now than ever before, businesses need a prominent and easily accessible media presence simply to survive. Whereas ten or twenty years ago, a small business could grow and even thrive simply on word of mouth or local advertising, today a lack of immediately appealing advertising and appropriately targeted and produced marketing materials can mean the difference between profit and financial collapse.

Within the last decade, social media trends have skyrocketed, bringing with them a consumer base not only technologically savvy, but also increasingly accustomed to putting in less and less personal effort to find a supplier for whatever product they are seeking at any given moment. This makes several things critical to any business. First, the consumer's initial encounter with the business must be appealing enough to warrant them selecting that business as opposed to clicking or swiping to the next one in the list. Second, in an oversaturated media environment, the unique character of a small business, if properly communicated via accurately placed, composed, and articulated advertising and marketing, can be the one thing that retains consumer interest for long enough to get the consumer in the door of the business in question.

The advertising and marketing industry is centuries old. Yet one of the things that has long been an impassable barrier to businesses operating below a certain net worth is access to advertising, marketing, and content production of a caliber formidable enough to push them far ahead of the pack and get not one, but a continuous stream of all-important customers through the front door.

- *Key Success Factors*

In order to succeed in fulfilling the unparalleled opportunity this market gap presents, several critical factors must be precisely balanced. The first of these is the quality of the product – it must be far above the standards one normally associates with a small business's advertising. The capacity of the provider to offer flexible pricing designed to maximize the client's return on their investment in the product is the second. And the third and final factor is intelligent, appropriately targeted marketing, ensuring

that both new and repeat members of the core client base are repeatedly made aware of the affordability and benefits of doing business with AJay Productions.

- *Future Outlook*

Each year the focus of the consumer is shifting ever more exponentially away from face to face interactions and towards social media and other online platforms. As a case in point, consider Facebook. Twenty years ago they did not exist, yet today nearly every company in existence has a presence on Facebook, and the ubiquitous “F” logo has become more commonplace and recognizable than nearly any other one icon in modern culture. The widespread awareness and daily interaction consumers have with social media such as Facebook, Youtube, Twitter, and others provides a marketing arena that will only continue to expand as time goes on. When added to the already existent traditional marketing and advertising channels that are the standard bread and butter of the client base’s outreach efforts to draw in customers, this enables our company’s philosophy of a “one stop shop” for the entire product of completely customized advertising content as well as the emplacement and execution of that content’s exposure to customers to penetrate and occupy a unique corner of the market. The future outlook for our company’s approach to doing business is nothing short of excellent.

- *Major Players And Where The Company Fits In*

Other major players in the same market area fall into two main categories. The first of these are companies that focus mainly on video production, such as Westside Production House, Under The Tower Productions, Video One Productions, and Turquoise Video Productions. The second is companies that focus on offering a wide array of content production services, not just limited to video; these include Big Bad Wolf Creative Group, Ultralite Films, and Red Productions.

Given the target business focuses of the other major players in the local area, our company’s unique business model will prove to be the thing that elevates us above all competition. Although there are a number of competitors aiming to deliver one or more of the services we target as a part of our overall catalog of offerings, there is not one that can offer the entire package of customized content production, intelligently consulted and assisted marketing decisions, and the keenly honed sense of business intelligence it takes to execute successful advertising campaigns.

THE PRODUCT/SERVICE

- *Nature & Uniqueness*

Due to our incredibly flexible organizational architecture, there is no limit to what we can provide a small business. Regardless of their budget or size, knowledge or

experience, background or idea, we can implement our collective expertise to exceed their expectations. Our all-encompassing approach to servicing the client provides them with a combined production studio, equipment supplier, and marketing facility. This benefits both the client and our company, as we will turn away no opportunity to further client success – guaranteeing both customer satisfaction and growth for the company. By offering such a wide range of services – video production, graphic design, and photography, equipment rental, hands-on training to individuals interested in learning about the business, competitive, intelligently negotiated pricing, and the spark of inventiveness viral video consultants and experts bring to the table – we stand alone as the single unified provider of all essential marketing and advertising needs for the target client base. The capacity to scale production crews up and down depending on the size of the target project as well as the top-flight consultation services provided as the very first step of any client’s experience with us, allowing for the tightest and most efficient usage of all resources, will also set us far apart from other companies.

Our core product itself, customized content produced to each client’s individual specifications, will be of the highest quality possible, drawing on the combined expertise of our production managers to craft eye-catching, unforgettably unique results for each client. The cookie-cutter template approach to creating content that is far too often the result of lower-cost production services will be absolutely eliminated, instead utilizing the close consultation with the client to ensure each one of their dollars spent goes precisely towards emphasizing the most important parts of their core customer message.

- *Benefits to Customers*

Pricing: We provide high-quality services at competitive, appealing prices. Our dedication to customizing each project’s cost to benefit ratio as precisely as possible assures we meet our clients’ needs and fit their budgets, while maximizing the value for each dollar they spend.

Diversity: We utilize our wide array of talented staff and their expertise to offer a diverse catalog of options, enabling the realization of even the most ethereal or loosely defined approach. Our staff works closely with each customer to help them define, plan, produce, and execute any idea regardless of scale or focus.

Flexibility: The scalable nature of our organizational structure allows us to operate as either a small or large scale operation depending on the individual needs of each contract. This allows us to play a wide variety of different roles, ensuring clients receive the same trusted service they will come to expect from us regardless of what type of contract they currently need.

Increased Revenue: The customized, precisely targeted end product of our work will, time and time again, drive increased traffic through our clients’ doors, electronic and

physical, which will in turn increase their bottom line – the ultimate benefit to any business.

Growth of Customer Base: As our clients' businesses grow, so will the amount of funds they are able to dedicate to marketing and advertising. This will reciprocate back into the scale and complexity of the contracts they will be able to enter into with our company, which will in turn guarantee them that as their business grows, so will the amount of potential customers that are aware of the services they offer.

- *Profit Potential & Durability*

Our potential for profit is higher than competitors' because we not only operate from a more comprehensive and flexible approach, we are also able to offer an "X factor" our competitors do not use – teams of viral video specialists focused specifically on creating product with the highest possible potential to go viral. Our durability will rest on our customers recognizing that their bottom line will always be noticeably boosted and stabilized by the dollars invested in services purchased from us.

- *Difficulties & Risks*

The approach we embody, while innovative and highly flexible, carries specific risks that must be contained to avoid issues in execution of the target business model. In order to deliver to the client the repeated high levels of satisfaction and value necessary to make the business model feasible, it will be necessary to maintain tight control over all aspects of the hiring process to ensure the personnel selected to join the company, both temporary and long term, are of only the highest caliber, with a passion for delivering on time and under budget. Additionally, a close eye will need to be kept on the overall market and competitors at all times to ensure that we are always able to offer more and better services than the competition.

- *Production Process*

The generalized process of production follows the below timeline of stages.

1. Brainstorming and creative sessions with all key parties to assist the client to identify exactly what it is they will need.
2. Personalized consultation and design of the contract and project plan to properly balance the client's available funds against the necessary costs to deliver the target product.
3. Pre-production writing and story board creation.
4. Crew assimilation and production of the project.
5. Editing and finalizing the product.

6. Assisting in marketing efforts of the completed advertisements.
7. Follow up services and success measurements.

- *Key Suppliers, Materials, & Costs:*

Key Suppliers:

Nikon, Cannon, and Apple

Materials:

Physical: Media production studios, equipment

Intellectual: licenses, contractual agreements, and expert knowledge in the media production industry

Human: creative teams, media consultants, tech staff, project managers & representatives, sales reps, production crew

Financial: loans, lines of credit, investments, and cash flow through completed projects

Costs:

AJay Productions strives for optimum quality but also focus on minimizing cost whenever possible. As part of the media production industry, we have cost distributed over the entire range of operations. Thus, an increased volume of work may result in increased profits but cost does not decrease. Such costs include:

Fixed Costs: equipment, studio lease, marketing/advertising expenses, legal fees, insurance, interest payments on loans

Variable Costs: contract wages, taxes, miscellaneous liabilities (i.e. dropped contracts, investors cut of profits, etc)

MARKET ANALYSIS

- *The Target Market (Customers)*

As a small B2B company, AJay Productions' targeted customers are all other small businesses in the Dallas-Fort Worth area. Although we have future projections to expand our clientele, approximately 97% of Dallas' businesses are small businesses, making them our main focus.

All businesses, regardless of size, generate cost and aim to make profit. In order to drive both repeat and new business, they also require marketing and advertising. With social media such as Facebook, Youtube, Twitter, and Instagram trending, entirely new avenues are available to small businesses to spread word of their product, service, or idea. Most consumers use these services on a consistent basis, utilizing mobile data devices of various stripes (phones, tablets, etc) to view content from any location.

Most small businesses lack the resources, equipment, and marketing strategy to effectively communicate their image, product and/or service to the consumer. The allotted time and cost it requires to self-market jeopardizes potential profit, and a company's lack of experience with marketing can far too easily result in wasted spending and zero or an actual negative impact on their image. We can provide the intelligent, well-designed solution to these clients, do it for less than they would spend attempting to coherently produce and integrate all of our services into one package, and offer a creative partner to handhold them throughout the entire process.

- *Market Size and Trends*

As of 2009, the Dallas-Fort Worth area has 135,799+ companies with 99 or less employees, ranking it seventh nationally among 938 metropolitan areas. In addition, DFW has 97,859 "microbusinesses", those being firms that have less than ten employees—which make up 72.06% of the business in DFW.

The targeted niche is definitely growing and will continue to do so. DFW is one of the fastest growing regions in the country, given its commercial attractions, widespread locations, and convenient accessibility to major corporations and institutions. Dallas is connected to the United States at large through several interstate highways, as well as the Dallas-Fort Worth International Airport - the world's third-busiest airport. This very advantageous geographical position enables any businesses based in the DFW area to effectively operate on a nationwide scale with very low ship-to-delivery timeframes. The complete absence of local or state income tax is an additional and considerable

benefit. The Dallas-Fort Worth area is also a conference hub, hosting useful conventions and workshops to further educate business owners on their ventures.

Although Dallas's downtown is the metropolitan area's primary business district—and is constantly redeveloping—there are also other industry and storefronts scattered throughout the city: including Preston Center, Uptown Village, and Koreatown. Other neighborhoods also encourage and develop economic opportunity for small businesses, providing local collaboration and public-private partnerships.

Dallas-Fort worth is further encouraging additional private investment by targeting millions of dollars in shares of city bond funds for capital improvements.

- *Competitors and Competitive Advantage*

Much competition does exist in the realm of advertising and marketing, respectively. Many competitors offer video production for small businesses— commercials, television spots, and advertisements. Some competitors offer social media infiltration—Facebook 'page' management, Twitter tweets, contests, polls, etc. The majority of video production companies geared toward small businesses are found locally, though a few are established online resources.

Most charge relatively high prices and only specialize in one area or the other: advertising or marketing. We offer lower prices than the high industry standard, while delivering the same if not better quality—by both creating content and spreading it. The Big Bad Wolf Creative Company, for one, is a developer of sales, marketing, PR & training materials. The Big Bad Wolf Creative Company creates messaging programs using all mediums; broadcast, DVD, CD-ROM, Internet and print. Big Bad Wolf Creative Group specializes in video production, video editing, video/audio encoding, DVD/CD-ROM authoring and DVD/CD duplication and printing. The Big Bad Wolf Creative Company does not, however, offer social media infiltration and distribution of created content through networking. Another company, Maverick, offers their services through an online venue and manages social media content, and creates marketing strategies and plans, including a twelve month strategy. Maverick does not provide any content, though, leaving the business owner to create it his or herself. Every local venue that offers video production flaunts professional studios, masterful production, yet no implementation of content. While every online venue that makes marketing and managing an easy one click away fails to provide the necessary content to fulfill those strategies. Ajay Productions seeks to marry the two and wrap up content creation and implementation in one. This significantly reduces the price a small business owner would pay shopping around to different companies and investing resources in multiple services individually.

MARKETING

- *Overall Marketing Strategy*

The marketing strategy, although forecast to develop along tiered expansion stages through time, currently focuses on two core principles. The first of these is cold calling to local small businesses and arranging to have demos put on to spread awareness of the company. The second is advertising and promotion in every possible arena. This includes local TV commercials, newspapers, online advertising, the company's website, any and all available social media platforms, YouTube ads, and other alternative areas, such as Google AdWords.

- *Pricing*

Our cost structure is directly based on a customized consultation which allows for the most cost-efficient pricing for each and every customer.

Sample Pricing – listed on the website

- *Service and Warranty Policies*

We offer customers customized contracts, additional post-project completion servicing and checkups, and outreach re-contact efforts at timed intervals following the last contact with a given client.

- *Advertising and Promotion*

We also participate in trade shows to network and grow our list of business contacts and provide free services for charities where possible.

OPERATION, LOCATION, AND FACILITIES

- *Operations Cycle*

Our Marketing and Sales staff will work a standard 8 to 5 forty hour work week.

Our Advertising Production staff will work on a contractual job by job basis. Their base work schedule will be twelve hour workdays.

Our Viral Video Specialty teams will work on a contractual job by job basis, following previously established terms worked out beforehand with the specialists.

Customer Support Strategies

In order to most efficiently service and maintain our client pool, our Marketing and Sales staff will function following the Account Manager model, where each Marketing and Sales associate will be responsible for their own portfolio of clients. Each associate assigned a portfolio will be responsible not only for support and servicing during a client's active contracts, but also for executing re-contact efforts.

- *Location*

Our central production facility and offices will be located in the DFW area. This is ideal because it will allow us to operate directly in the center of the most heavily concentrated area of small businesses – our core client base.

Our main facilities will consist of one large main studio room, one engineering/production/technical processes room, and three or more offices

- *Other Issues*

For quality control purposes, all produced content will pass inspection by the appointed quality control supervisor before being viewed by anyone not directly employed by the company. This will ensure a consistent and reliably high-quality experience for every client and the preservation of our company's reputation.

Our location will ideally be situated close to a camera store for quick and convenient issue control and management, as well as easy availability of further equipment as needed.

Regarding transportation, we will retain one company-registered vehicle for on-location work, possibly equipped with minimal mobile editing equipment, and will additionally compensate employees for any travel expenses incurred.

All expenses will be written off for tax purposes under the business.

MANAGEMENT & ORGANIZATION

- *Ownership*

AJay Productions shall begin constructed in the form of a Limited Liability Partnership; that is, a joint venture consisting of three initial partners: Amanda Jacobs, Sierra Hockett, and Ryan Engelmann; with Amanda Jacobs holding the role of General Partner, and all others as Limited Partners, including potential investors upon their agreement to invest in AJay Productions. As part of a Limited Liability Partnership, all limited partners and investors will be liable only for their contribution and investment into AJay Productions. Should potential investors seek greater control in the partnership, and be willing to suffer the risks of greater liability, Amanda Jacobs will be open to high investment offers and open discussion for additional General Partner status.

- *Key Management*

AJay Productions will consist initially of the aforementioned general and limited partners. These partners are to possess working knowledge of and have prior experience in the fields of management as well as finance. Additional partners and investors are expected to be experienced and knowledgeable in financial and managerial subjects. Potential additional General Partners must have well developed executive management skills. All partners and investors are required to present a documented record of financial integrity to be considered for partnership.

Amanda Jacobs, as General Partner, will initially provide managerial oversight, utilizing her experience in Management, Production, Marketing, and Advertising. Her position as CEO, the final authority over all departments of the company will streamline and align all units of the business coherently under one united vision driven by her considerable accumulated experience and technical skills.

Sierra Hockett, Limited Partner, as CFO, will initially be granted authority over the Accounting and Sales departments of AJay Productions.

Ryan Engelmann, Limited Partner, as CMO, will initially be granted authority over the Marketing and Advertising departments. His previous production work and background in marketing, combined with his creative slant and ingenuity, will benefit AJay Productions by providing direction and initial production for the company's lead-off clients.

Upon expansion, further employees will be required. These include, but are not limited to, sales, marketing, advertising, and accounting related staff.

Those holding future sales positions are required to have considerable past sales, account and portfolio management experience.

Those holding future advertising positions must be experienced in the field of advertising, video production, graphic design, or photography. Each potential candidate does not necessarily need to possess all of the above work histories, but the overall staffing percentages in the advertising area will be required to cover all four of these bases across the available staff.

Those holding future marketing positions must have applicable experience and technical skill in the areas of web design, social media management, and graphic design. Each potential candidate does not necessarily need to possess all of the above work histories, but the overall staffing percentages in the marketing area will be required to cover all three of these bases across the available staff.

Those holding future accounting positions should possess experience in the fields of accounting, bookkeeping, finance, and economical statistics. Each potential candidate does not necessarily need to possess all of the above work histories, but the overall staffing percentages in the accounting area will be required to cover all of these bases across the available staff. All potential accounting employees must present a documented record of financial integrity.

Amanda Jacobs and any future CEO reserve the right to open any sub-position beneath the key management department heads as an intern position, whether paid or unpaid as decided by Amanda Jacobs or any future CEO and agreed upon in writing by the intern candidate.

- *Company Structure*

AJay Productions, as a Limited Liability Partnership, will be structured top-down as such that a CEO, initially Amanda Jacobs, and a CFO will collaborate to organize and oversee a board of key management—other partners and investors. This key management board, initially Ryan Engelmann and other partners or investors, will be represented by a head of Accounting, a head of Sales, a head of Marketing, and a head of Advertising upon expansion. As stated previously, initially Sierra Hockett will hold both the head of Accounting and head of Sales titles, while initially Ryan Engelmann will act as both head of Marketing and head of Advertising. All department heads will report directly to the presiding CEO and CFO, with the additional requirement that the heads of Marketing and Advertising and all sub positions report all financial related data to the head of Accounting, as well as the requirement that the head of Sales report clients both potential and secured to the heads of Advertising and Marketing. Refer to figure () for the AJay Productions expanded growth organizational chart. All sub positions, once made available and filled, will report to their respective department heads, the only exceptions being the ones stated previously.

- *Compensation and Benefits*

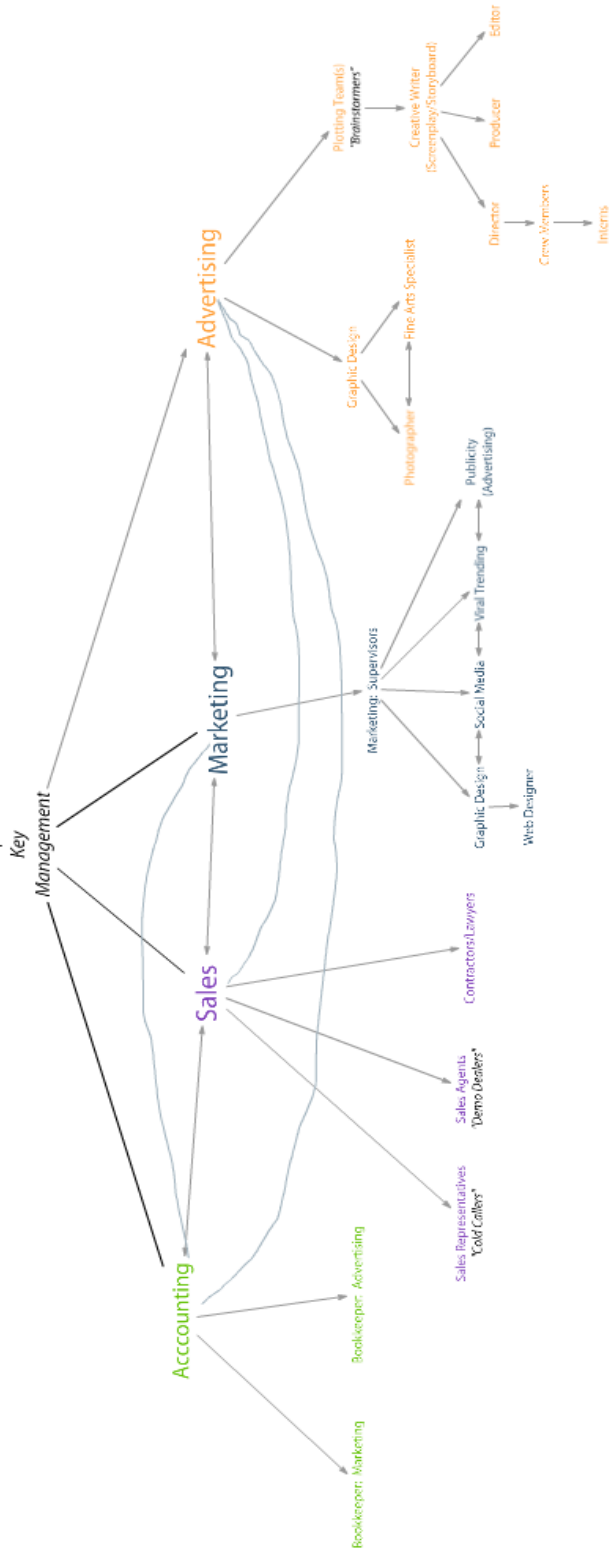
AJay Productions will provide those holding Advertising positions with compensation for strictly business-related travel, as well as food during active productions. Both the food provided and the definition of 'active production' will be solely at the discretion of Amanda Jacobs or any future CEO. In addition to salary, those holding Sales positions will be provided a three percent commission rate for every completed project they have personally secured. Any paid employee will potentially have the opportunity for an annual bonus based on company revenue at the discretion of Amanda Jacobs or any future CEO; for sub-positions, these employees can be nominated and awarded by department heads with permission from Sierra Jacobs or any future CFO.

- *Other Key Persons*

AJay Productions will comprise the peoples and positions stated previously. Upon expansion the company will include a salaried or outsourced lawyer at the discretion of Amanda Jacobs or any future CEO. As stated previously, partners and potential investors will be admitted into AJay Productions upon mutual agreement. Consultant and Intern positions may become available upon expansion and at the discretion of Amanda Jacobs or any future CEO.

Head Partners:

Amanda Jacobs
Joshua Engelmann
Sierra J. Hockett



- *Intellectual Property and Employee Agreements*

AJay Productions reserves the rights to all generated content. Copyright allowances will be created for clients such that in exchange for legal usage of client's brand or brands AJay Productions will release the rights to generated content to the client upon contractual fulfillment which includes full payment of agreed monetary value. Upon this fulfillment, AJay Productions reserves the right to use generated content following the copyright release to the client for business promotion and archival purposes. Furthermore, all employees relinquish personal copyrights to generated content to AJay Productions, including but not limited to business graphics, graphic templates, infographics, advertisement content, slogans, and production art and video. All employees, paid or unpaid, involved in video production are expected to sign a safety waiver and personal injury liability release form prior to production commencement. In order to be considered an employee of AJay Productions, a signed arbitration agreement will be required. Employees also agree not to hold positions in any client's businesses or work contractually acting as a freelance agent for any client of AJay Productions.

Financial Plan

- ***Revenue Model***

- We generate revenue by completing clientele projects. Various projects generate various amounts of profit, depending on the type of project and its involvement.

- ***Key Assumptions***

- The governing factors in the financial projections are how much time a particular project will take. Also, whether it is pre-production, production, or post-production is a large factor. Production work takes a lot more expensive equipment. While the post-production takes a lot of time and various software, and the pre-production could possibly take no equipment at all. We factor in the overhead cost as well as salaries for a given period of time, and we double that price for the profits.

- ***Financial Projections:***

- With expenses adding to less than \$10,000 a year and Sales revenue adding to about \$40,000 a year, we will have over \$30,000 in net profit each year, and that number will rise as the company grows.

Funding Requirements/Use of Funds

- I will need \$30,000 to start the growth of my company. These funds will go towards further marketing and advertising, and hiring new employees for larger-scale projects. Also, we may possibly buy new equipment so we can do multiple projects at once.

Exit Strategy (or Repayment Strategy)

- Debt investors will be paid on a monthly plan with interest. Equity investors will be paid with a percentage of the profits equal to the percent of their share of investment in the total equity of the company.

**AJay Productions
Balance Sheet**
As of December 31, 2012

	<u>Dec 31, 12</u>
ASSETS	
Current Assets	
Checking/Savings	
Chase Checking	1,200.00
Total Checking/Savings	<u>1,200.00</u>
Total Current Assets	1,200.00
Fixed Assets	
Cameras	1,500.00
Computer Software	500.00
Computers	1,500.00
Equipment	250.00
Total Fixed Assets	<u>3,750.00</u>
TOTAL ASSETS	<u><u>4,950.00</u></u>
LIABILITIES & EQUITY	
Equity	
Opening Balance Equity	4,750.00
Net Income	200.00
Total Equity	<u>4,950.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>4,950.00</u></u>

**AJay Productions
Projected Balance Sheet**
As of December 31, 2013

	<u>Dec 31, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
Chase Checking	5,330.00
Total Checking/Savings	<u>5,330.00</u>
Total Current Assets	5,330.00
Fixed Assets	
Cameras	8,000.00
Computer Software	1,500.00
Computers	4,000.00
Equipment	250.00
Total Fixed Assets	<u>13,750.00</u>
TOTAL ASSETS	<u><u>19,080.00</u></u>
LIABILITIES & EQUITY	
Equity	
Investor Equity	10,000.00
Opening Balance Equity	4,750.00
Owners Equity	200.00
Net Income	4,130.00
Total Equity	<u>19,080.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>19,080.00</u></u>

**AJay Productions
Projected Balance Sheet**
As of December 31, 2014

	<u>Dec 31, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
Chase Checking	10,930.00
Total Checking/Savings	<u>10,930.00</u>
Total Current Assets	10,930.00
Fixed Assets	
Cameras	8,000.00
Computer Software	1,500.00
Computers	4,000.00
Equipment	250.00
Total Fixed Assets	<u>13,750.00</u>
TOTAL ASSETS	<u><u>24,680.00</u></u>
LIABILITIES & EQUITY	
Equity	
Investor Equity	10,000.00
Opening Balance Equity	4,750.00
Owners Equity	4,330.00
Net Income	5,600.00
Total Equity	<u>24,680.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>24,680.00</u></u>

AJay Productions
Profit & Loss
 January through December 2012

	Jan - Dec 12
Ordinary Income/Expense	
Income	
Photography Services	800.00
Video Production	400.00
Total Income	1,200.00
Gross Profit	1,200.00
Expense	
Automobile Expense	250.00
Bank Service Charges	30.00
Computer and Internet Expenses	150.00
Marketing Expense	50.00
Office Supplies	40.00
Printing and Reproduction	100.00
Telephone Expense	200.00
Total Expense	820.00
Net Ordinary Income	380.00
Other Income/Expense	
Other Expense	
Taxes & Insurance	180.00
Total Other Expense	180.00
Net Other Income	-180.00
Net Income	200.00

AJay Productions
Profit & Loss Forecast
 January through December 2013

	Jan - Dec 13
Ordinary Income/Expense	
Income	
Photography Services	5,000.00
Video Production	8,000.00
Total Income	13,000.00
Gross Profit	13,000.00
Expense	
Automobile Expense	600.00
Bank Service Charges	120.00
Computer and Internet Expenses	200.00
Contract Labor	1,500.00
Equipment Rental	1,200.00
Marketing Expense	700.00
Office Supplies	300.00
Printing and Reproduction	800.00
Professional Fees	250.00
Telephone Expense	1,000.00
Total Expense	6,470.00
Net Ordinary Income	6,530.00
Other Income/Expense	
Other Expense	
Taxes & Insurance	2,400.00
Total Other Expense	2,400.00
Net Other Income	-2,400.00
Net Income	4,130.00

AJay Productions
Profit & Loss Forecast
 January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Income	
Advertising Sales	5,000.00
Photography Services	3,000.00
Video Production	10,000.00
Total Income	18,000.00
Gross Profit	18,000.00
Expense	
Automobile Expense	750.00
Bank Service Charges	150.00
Computer and Internet Expenses	250.00
Contract Labor	2,500.00
Equipment Rental	1,500.00
Marketing Expense	1,200.00
Office Supplies	350.00
Printing and Reproduction	800.00
Professional Fees	300.00
Telephone Expense	1,200.00
Total Expense	8,800.00
Net Ordinary Income	9,200.00
Other Income/Expense	
Other Expense	
Taxes & Insurance	3,600.00
Total Other Expense	3,600.00
Net Other Income	-3,600.00
Net Income	5,600.00

AJay Productions
Statement of Cash Flow
2012

	Jan - Dec 12
OPERATING ACTIVITIES	
Net Income	200.00
Net cash provided by Operating Activities	200.00
INVESTING ACTIVITIES	
Cameras	-1,500.00
Computer Software	-500.00
Computers	-1,500.00
Equipment	-250.00
Net cash provided by Investing Activities	-3,750.00
FINANCING ACTIVITIES	
Opening Balance Equity	3,750.00
Net cash provided by Financing Activities	3,750.00
Net cash increase for period	200.00
Cash at beginning of period	1,000.00
Cash at end of period	1,200.00

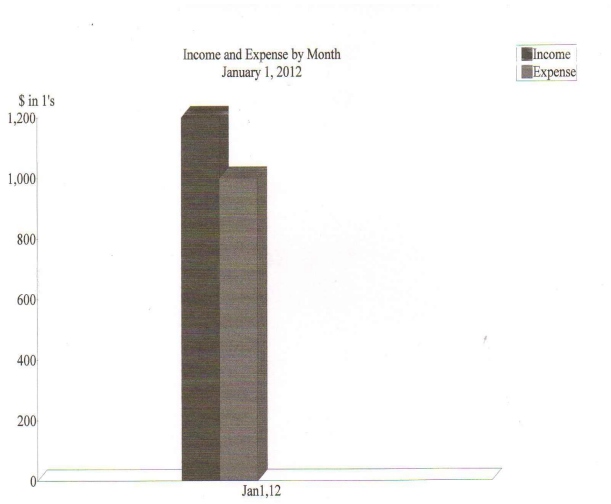
AJay Productions
Projected Cash Flow
2013

	Jan - Dec 13
OPERATING ACTIVITIES	
Net Income	4,130.00
Net cash provided by Operating Activities	4,130.00
Net cash increase for period	4,130.00
Cash at beginning of period	1,200.00
Cash at end of period	5,330.00

AJay Productions
Projected Cash Flow
2014

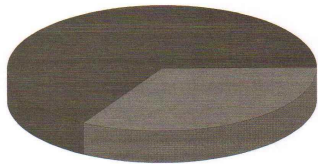
	Jan - Dec 14
OPERATING ACTIVITIES	
Net Income	5,600.00
Net cash provided by Operating Activities	5,600.00
Net cash increase for period	5,600.00
Cash at beginning of period	5,330.00
Cash at end of period	10,930.00

INCOME SUMMARY:

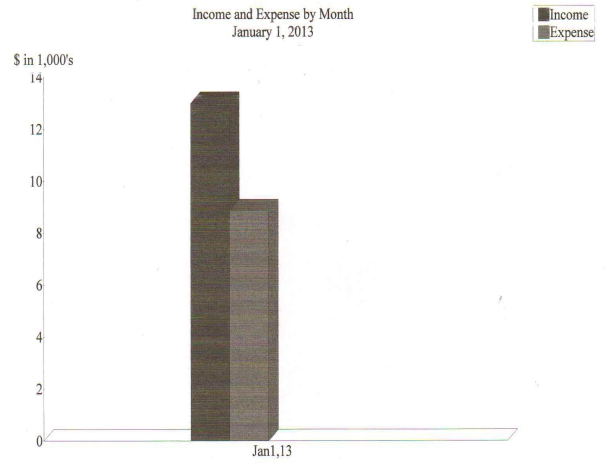


Income Summary
January 1, 2012

Photography Services	%66.67
Video Production	33.33
Total	\$1,200.00

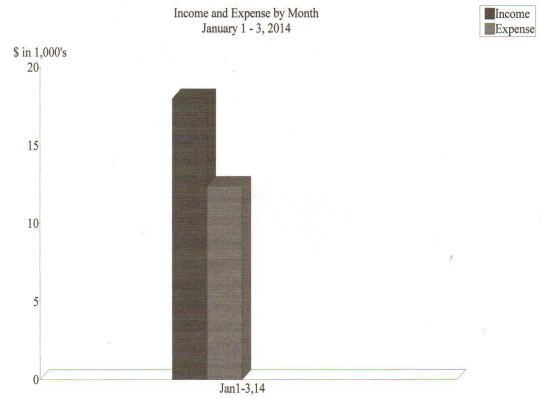
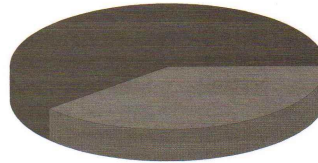


By Account



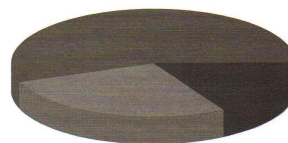
Income Summary
January 1, 2013

Video Production	%61.54
Photography Services	38.46
Total	\$13,000.00



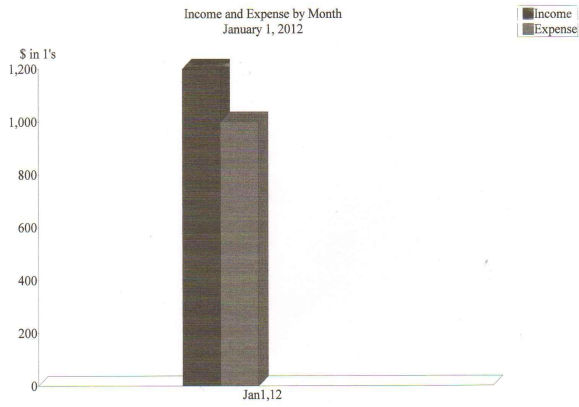
Income Summary
January 1 - 3, 2014

Video Production	%55.56
Advertising Sales	27.78
Photography Services	16.67
Total	\$18,000.00



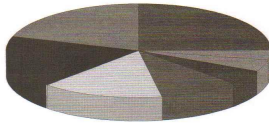
By Account

EXPENSE SUMMARY:

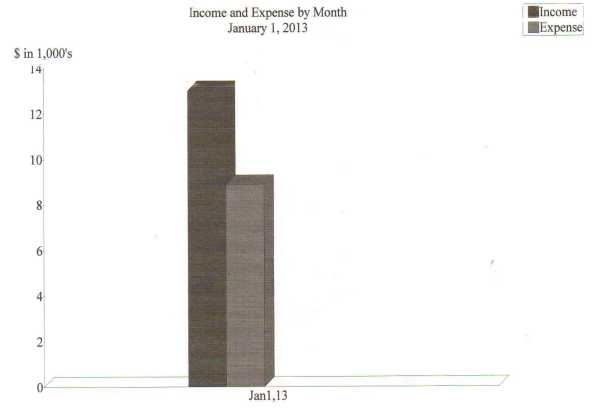


Expense Summary
January 1, 2012

Automobile Expense	%25.00
Telephone Expense	20.00
Taxes & Insurance	18.00
Computer and Internet Expenses	15.00
Printing and Reproduction	10.00
Marketing Expense	5.00
Office Supplies	4.00
Bank Service Charges	3.00
Total	\$1,000.00

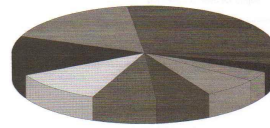


By Account

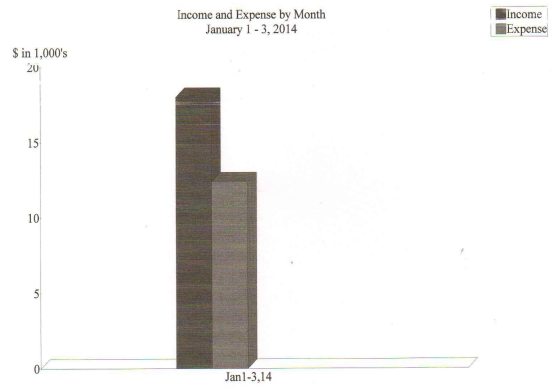


Expense Summary
January 1, 2013

Taxes & Insurance	%27.06
Contract Labor	16.91
Equipment Rental	13.53
Telephone Expense	11.27
Marketing Expense	7.89
Printing and Reproduction	6.76
Automobile Expense	6.76
Office Supplies	3.38
Professional Fees	2.82
Computer and Internet Expenses	2.25
Bank Service Charges	1.35
Total	\$8,870.00

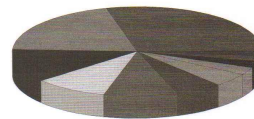


By Account



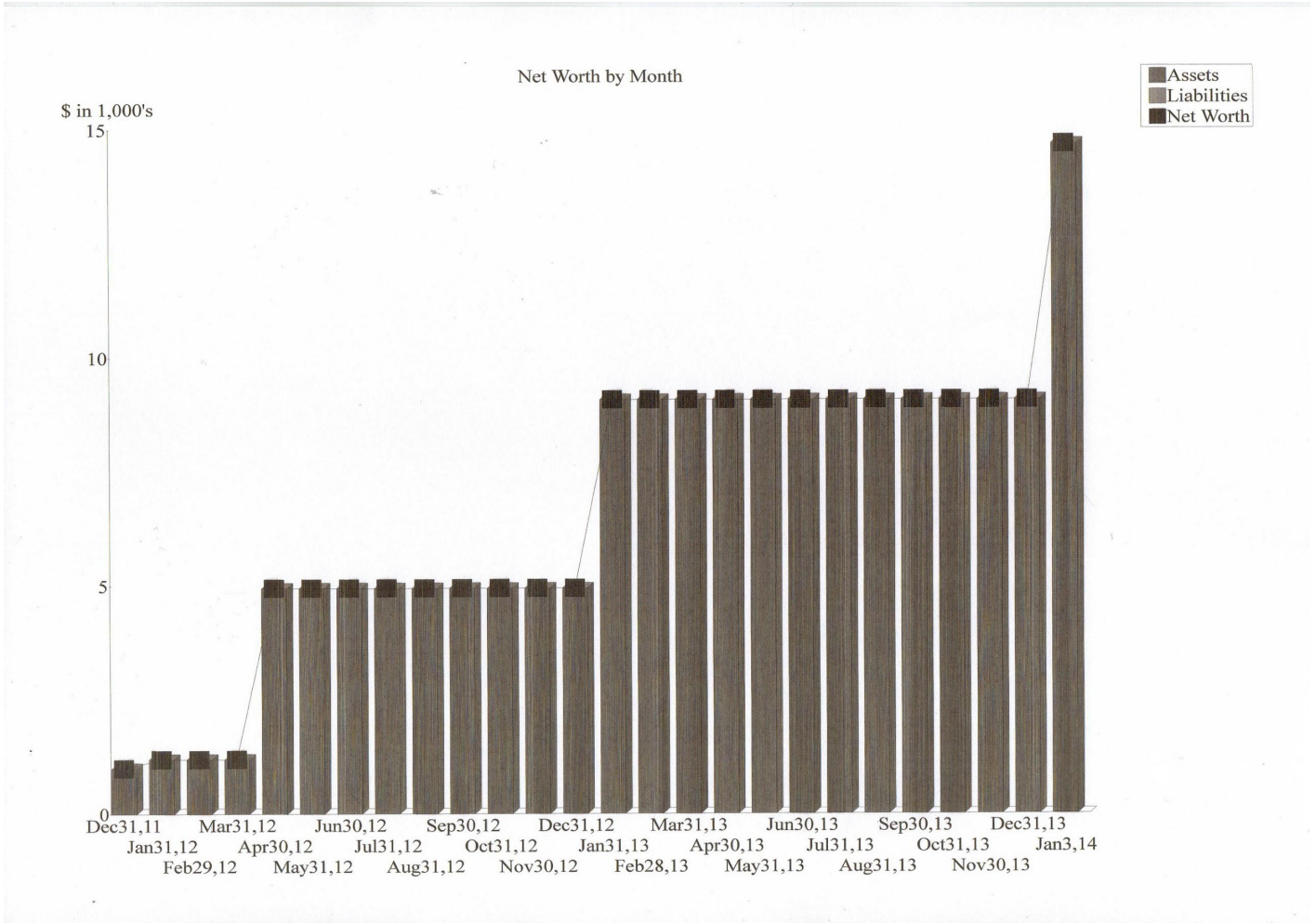
Expense Summary
January 1 - 3, 2014

Taxes & Insurance	%29.03
Contract Labor	20.16
Equipment Rental	12.10
Marketing Expense	9.68
Telephone Expense	9.68
Automobile Expense	6.05
Printing and Reproduction	4.84
Office Supplies	2.82
Professional Fees	2.42
Computer and Internet Expenses	2.02
Bank Service Charges	1.21
Total	\$12,400.00



By Account

NET WORTH:



Break- Even Analysis

BE= fixed costs/ (price per unit – variable costs)

ESTIMATED AVERAGE:

Fixed costs = \$2500/month

Variable costs = \$500/advertising job & \$1000/marketing client per year of service

Price per unit= \$1500/advertising job & \$3000/marketing client per year of service

Advertising:

$$\text{BE} = 2500 / (1500 - 500) = \mathbf{2.5 \text{ contracts}}$$

Marketing:

$$\text{BE} = 2500 / (3000 - 1000) = \mathbf{1.25 \text{ contracts}}$$

CRITICAL RISKS & CONTINGENCIES

- *Potential problems, risks, & remedies*

Possible problems and likely risks for AJay Productions would involve terms of agreement discussed in contracts. Conflicts over intellectual property and delegation of royalties—as well as other profit percentages—would best be resolved by litigation with the help of the company’s lawyer.

Budget management would also be an issue, given the length of contracts with clients. The company will have to discuss among employees and consult with clients as to how much work will be invested in each contracted project; in addition, the costs and expected earnings would have to be discussed.

Due to all terms of agreement, conditions, and exceptions specified in contracts, there would be no alternative courses of action in which AJay Productions would pursue. Our company holds the employers, employees, and clients accountable for what they agree to uphold.

HARVEST STRATEGY

- *Long term plans*

AJay Productions is projected to expand in the next five to ten years. We are set on broadening our clientele to other small businesses in the state of Texas and, eventually, the entire nation. We plan to hire up to three times the current workforce in pursuit of meeting our objectives and goals.

- *Successors*

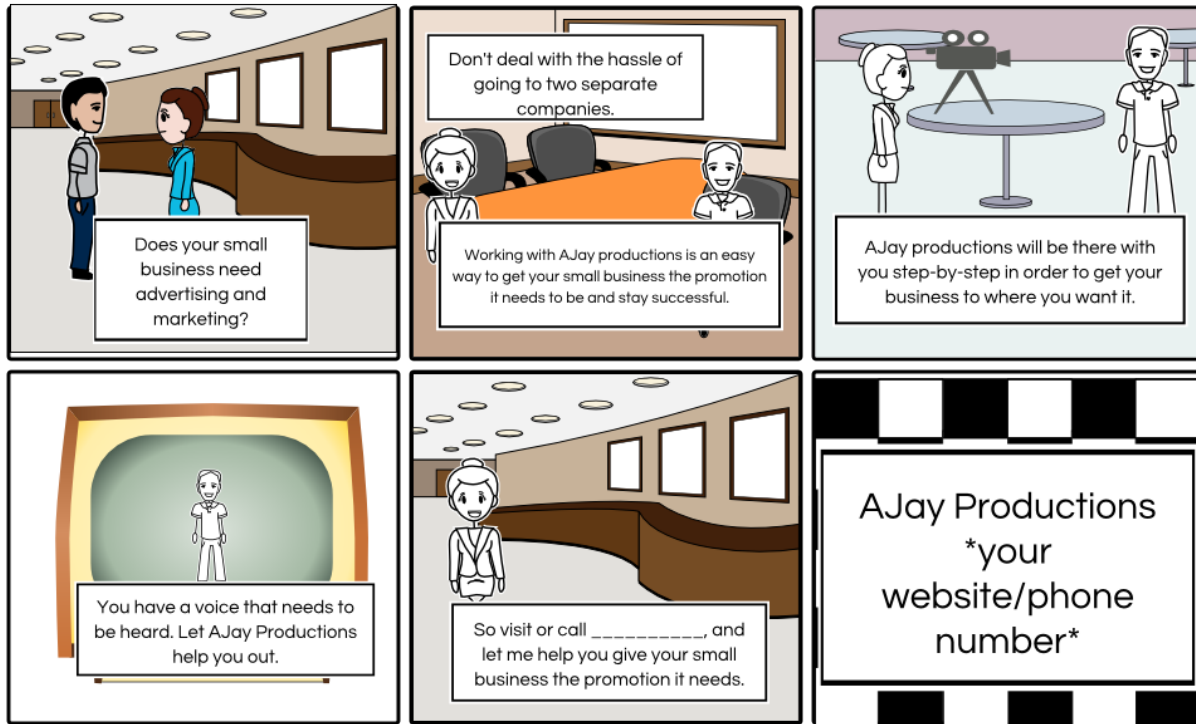
If, and when, AJay Productions is to go out of business, the terms have been discussed and legally held by writing. The company will sell and liquidate its assets as well as extract returns on all firm investments. The total profit will then be split as specified in the partner and investor agreements respectively.

OVERALL SCHEDULE AND TIMELINES

- *Timing and objectives*

Current growth projections as of 2013 indicate that AJay Productions is projected to expand throughout Dallas County by 2015. By the year 2020, the company is projected to expand through the state of Texas and be a major player in the nationwide market by 2025.

AJay Productions Commercial Storyboard:



Create your own at StoryboardThat.com

APPENDICES

Texas Population/Business Statistics: <http://quickfacts.census.gov/qfd/states/48/4819000.html>

Small Businesses in DFW: <http://www.bizjournals.com/dallas/blog/2011/11/dfw-ranks-seventh-in-number-of-small.html>

DFW Population/Business Statistics: <http://quickfacts.census.gov/qfd/states/48/4827000.html>

What attracts small businesses to the DFW area: <http://www.inc.com/guides/2010/10/how-to-start-a-business-in-dallas-fort-worth.html>

“25 Things To Consider about Video Production Costs”:
<http://blog.redproductions.com/bid/60231/How-much-does-video-production-cost-25-Factors-with-prices-that-affect-corporate-video-production>