

*A Plan For
The Growth Of*

HamiltonBorchman Design Group, Inc.

HamiltonBorchman Design Group, Inc.
PO BOX 1015
Ojai, California 93024

(805) 798-3430
info@hamiltonberchman.com
www.hamiltonberchman.com

Created: March 27, 2005

Revised: May 19, 2005

Summary

In 1999 Bert and Elizabeth Mahoney founded HamiltonBorchman Associates. In 2005 they incorporated the business creating HamiltonBorchman Design Group, Inc., a cross-media design studio, providing web development, graphic design, and corporate identity services for businesses of all kinds. Over a decade of experience, plus extensive training in the arts and technology, enable them to create communication solutions for their clients that are on time, on budget, and functional as well as aesthetic.

Located in Ojai, California, HamiltonBorchman works with organizations from New York, San Francisco, Los Angeles, Seattle, Portland and Charlotte. Regardless of a client's location, HamiltonBorchman is dedicated to developing a personal and responsive relationship with each and every customer. The firm's commitment to the unique needs of each client, combined with the exceptional artistic and technological skills of the principals, helps distinguish HamiltonBorchman from the majority of its competition.

HamiltonBorchman has one full-time, and one part-time employee. Both are principals in the corporation. Since founding HamiltonBorchman in 1999 they have taken great pains to be attentive to detail, service oriented, and uncompromisingly honest. Consequently, HamiltonBorchman has developed a reputation for high quality workmanship and absolute integrity in all aspects of their work. HamiltonBorchman's reputation has enabled them to attract new clients entirely by referral. Free of the need for marketing and self-promotion, they have been able to devote themselves to that aspect of the business from which they derive their greatest pleasure—art and design.

HamiltonBorchman Design Group, Inc. is a California S-Corporation chartered in May 2005. Fifty-one percent of the company's outstanding stock is held by Elizabeth R. Mahoney, forty-nine percent by J. Bert Mahoney.

This plan outlines the business activities, projections, and opportunities for HamiltonBorchman Design Group, Inc, and details the need for additional capital in 2005 to finance startup costs and growth.

Principals

In creating HamiltonBerchman Design Group Inc., Elizabeth and Bert Mahoney sought to bring together their passion for art and design and the skills they had developed over the years to create a stable business offering companies and organizations high level design and web communications services usually found only in larger metropolitan areas.

Elizabeth Mahoney will continue in her role as a Fine Arts and Photography teacher at The Thacher School; in addition, she will provide the artistic leadership for HamiltonBerchman. Upon graduation from Skidmore College with a B.A. in Fine Arts and prior to coming to Thacher in 1998, she was a working artist exhibiting in galleries in Southern California. She has also worked as a freelance photographer and designer. Both jobs have given her the opportunity to work with a wide variety of individuals and corporate entities. Most important, the arts have been her passion from earliest childhood to the present day. This winter she received a fellowship from Skidmore College allowing her to live on the Skidmore campus where she will have a private, fully stocked studio in which to paint. Daily she will meet with her faculty mentor/advisor to discuss and critique her work. Her passion for the arts, plus her teaching and wide-ranging working-world experience make her ideally suited to provide the artistic leadership for HamiltonBerchman. Her exceptionally rigorous aesthetic standards will guarantee that HamiltonBerchman clients will receive work of the highest quality.

Bert Mahoney has been the Director of Cross-Media Publishing at The Thacher School for the past five years. Responsible for all matters pertaining to publishing the institutional message, he has designed the school's website which received the Ventura County Star Internet Awards for best high school website. He has also designed and produced all printed matter that communicates the school's message to the larger community—everything from business cards and stationary to the school magazine. In addition he has been advisor to the yearbook where he supervised every aspect of the yearbook from concept to distribution. This work has enriched his design and publishing skills, and has vastly increased his experience in dealing with an incredibly varied and talented group of individuals.

Prior to joining the Thacher staff, he worked for nearly a decade in a variety of firms in graphic design, advertising and publishing. He started his career at the Hearst Corporation's *Albany Times Union* as an advertising artist. He then moved to west to freelance for J.R. Navarro and Associates, a Los Angeles advertising

agency. Subsequently he became art director for On The Boulevard publications where he was in charge of advertising and editorial design. Next he worked at Lakeshore Learning Materials as a graphics production specialist and systems administrator. Just prior to coming to Thacher, he was system administrator and production manager at Jensen Design Associates a boutique design firm based in Long Beach, California. He is a graduate of Hartwick College with a B.S. in Information Science and a B.A. in Fine Arts.

Facilities & Staff

Currently a home-based business, HamiltonBerchman Design Group Inc. has extremely low overhead; thus, it is able to devote a high percentage of its income to asset accumulation. As growth permits, the firm will look to lease office space in the city of Ojai. Our goal is to achieve the growth in business that makes leasing commercial office space a necessity by the end of 2006.

Currently the firm owns one seven-year-old Apple Macintosh computer with an external CD burner and a color ink-jet printer as well as miscellaneous office furniture and equipment. Total value: of \$2,000–\$2,500. Clearly this equipment is not adequate to manage even modest growth projections. We will need to replace it before beginning operations.

The training, experience, and demonstrable skills of Elizabeth and Bert Mahoney, ensure that they will provide all the human resources needed to successfully launch and operate the business. No additional staffing is projected in the short term.

Freelance talent—writers, illustrators and photographers—will be contracted, as business volume requires.

Services Provided

HamiltonBorchman Design Group Inc. offers graphic design, web development and corporate identity programs to a wide variety of businesses. Clients past and present include: The Thatcher School, Monica Ros School, The Ojai Valley News, Ojai Concierge, Teach The Teachers Collaborative, Video Products Group Inc., P.S. Arts, The Demeter Group LLC, Encore Associates, The Food Partners, HKA Design, TBD Studio, Awesco, Archeology Wordsmith, Winters Ranch, Murray Child Psychology and Jeanne Murrone Ph.D.

We have conceived, designed and produced corporate identity programs including business cards and letterheads, web sites, annual reports, trade show exhibit materials, consumer packaging, signage, booklets, print advertising, and other miscellaneous business communication collateral. We enjoy a reputation for having high aesthetic and production standards.

The Market

The traditional market for graphic design and marketing communications has been expanding for decades as more organizations appreciate the bottom-line benefits of quality services. Many small and medium sized companies do not have the resources to support in-house talent; therefore, the outsourcing of design services is needed. Even larger firms, which do have in-house design departments, will often seek outside design and production assistance when workloads are high.

This expansion of design services has accelerated in the past decade with the introduction of new, computer-driven technologies like the Internet and e-mail. The overall growth of the market, and particularly the growth made possible by computer-driven technologies, will enable our firm to prosper in Ojai. The “New York” quality we can bring to our clients in Ventura County and beyond would not have been possible a decade ago. The fact that our business does not need to be located “next door” eliminates the need for constant face-to-face interaction. Yet we believe our size, personal values, and commitment to identifying and serving the unique needs of each client will enable us to provide genuinely personal service to every client wherever they are located.

We believe our basic market segments will be educational institutions, entrepreneurial firms, real estate organizations, consumer goods companies, and financial services organizations. With the continued development of technology it will make it possible for us to engage new, dynamic, and profitable market segments.

Opportunity

Opportunities for success abound. We have a unique combination of talent and experience, a strong track record, and a bone-marrow deep commitment to a code of corporate behavior that guarantees every client will receive high quality work done in a timely manner at a fair price. The key will consist of getting HamiltonBerchman's name, capabilities, and portfolio in front of the decision makers of potential clients. If this is done, our chances of success with companies who are in need of our services will be high.

HamiltonBerchman Design Group Inc. presently has a stable of eleven (11) active client accounts. Of these clients, three are very active. To create more opportunities and generate more highly active client relationships the key will be marketing and networking. We have already purchased advertising space in the local yellow pages. We plan to also engage some other advertising/marketing efforts. One campaign will consist of a direct mail piece announcing the business and directing recipients to our website where they can read our complete set of services and see our online portfolio. In addition to these two efforts, we plan to advertise within local papers and regional weekly magazines such as the VCReporter and the Santa Barbara Independent. Lastly, our networking efforts that are already underway with friends and associates will continue.

Our projections indicate that we can handle business expansion with no increase in facilities or staff and only a moderate and manageable increase in equipment. As was stated earlier, any staff needed at this time will be sub-contracted skilled labor.

Financial Need

To start our business it will be necessary to obtain new computer hardware, software, a laser printer, a high-performance flatbed color scanner, and a high-end digital SLR camera. The total outlay is approximately \$ 7,250.00 as outlined below.

Software (Adobe® Creative Suite 2 Standard)	\$ 900.00
Hardware (Apple Dual 2.7GHz PowerPC G5, Apple 23-inch HD Cinema LCD)	\$ 4,500.00
Laser Printer (HP Officejet 7310 All-in-one series)	\$ 400.00
Digital Camera (Nikon D100 Digital SLR (Body Only))	\$ 1,000.00
Total	\$ 7,250.00

We wish to finance the purchase of this equipment with a business loan.

Summary Profit Projection

Detail on the financial position of HamiltonBorchman Design Group Inc. can be obtained from the Company's Tax Returns under its previous name HamiltonBorchman Associates. It can be supplied if requested. This page summarizes the specific financial projections upon which a business loan request will be made.

Monthly income

Websites *:	\$ 1,670.00
Print Design **:	\$ 3,333.33
Miscellaneous ***:	\$ 500.00
Total Monthly Income (projected)	\$ 5503.33
Total Annual Income (projected)	\$ 66,039.96

Monthly expenses

Present labor (12-month 2005)	\$ 24,000.00
Present overhead (12-month, 2004 average)	\$ 2,000.00
Line of credit payment and interest****	(to be determined)
Total Annual Projected Costs	\$ 26,000.00

* Assumes an average of 4 new website projects @ \$ 5,000–\$ 7,000 per website.

** Assumes an average of 20 color pre-press jobs annually @ \$ 2,000 each.

*** Assumes a variety of miscellaneous design projects annually totaling \$ 6,000.

**** Assumes a line of credit for \$10,000 @ _____ percent interest.