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1.0 Executive Summary

Two Wheeled Oracle (TWO) is a bicycle-based courier service serving Portland, Oregon attorneys and law firms. Two Wheeled Oracle can transport documents and small parcels to clients, other law firms, as well as transport and file documents with the clerk of courts. Law firms will be the primary group of customers and the only one targeted. Two Wheeled Oracle will also serve non-law-firm customers, but will not target this area of the market.

Two Wheeled Oracle will offer reliability and industry insight to law firms enabling TWO to provide superior service relative to the current service providers. Reliability is an important variable for service to law firms because firms have many court imposed time constraints put on them that are inflexible. By providing professional, reliable service, Two Wheeled Oracle will be able to rapidly gain market share. Previous legal experience also provides TWO with a competitive edge over the competition. Profitability will be reached by month nine and revenue for year three will be in excess of \$300,000.

2.0 Situation Analysis

TWO is entering their first year of operation. In order to achieve the market penetration that is forecasted, marketing must become a dominant business activity. TWO offers the legal community a reliable, professional, delivery service that can provide service of notice and document delivery to opposing counsel as well as document delivery to the clerk of courts. The basic market need is a reliable service that can support all needs a law firm may have.

2.1 Market Summary

TWO possess good information about the market and has excellent information about the common characteristics of the most prized customers. This information will be used to better understand who is served, their specific needs, and the best way to communicate with them.

Target Markets

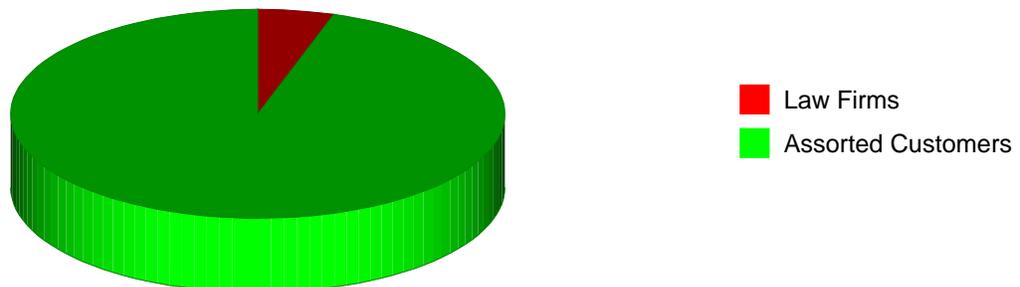


Table 2.1: Target Market Forecast

2.1.1 Market Demographics

The profile for the typical customer consists of the following geographic, demographic, and behavior factors:

Geographics

- The immediate geographic area is downtown Portland.
- A 20 mile radius is in need of delivery services.
- The total targeted population is 5,774.

Demographics

- Primarily male (approximately 67% of lawyers practicing in downtown Portland are male. This figure is changing over time as the current ratio of male to female Oregon law students is 48:52).
- Law firms have from 3-125 attorneys. The average is 12-25 attorneys.
- Fifty-four percent of the firms have a monthly contract with a delivery service. For firms of 15+ partners this percentage goes up to 79%.

Behavior Factors

- Sixty-seven percent of the firms will use a delivery service instead of sending someone from the firm to make the delivery.
- Have an expectation of immaculate, unfaltering service.
- While cost cannot be exorbitant, the firm generally passes the costs onto the clients so cost is not the main decision driver.

2.1.2 Market Needs

Two Wheeled Oracle is providing its customers with a fast, reliable document delivery service throughout the Portland downtown area. TWO seeks to fulfill the following benefits that are important to their customers:

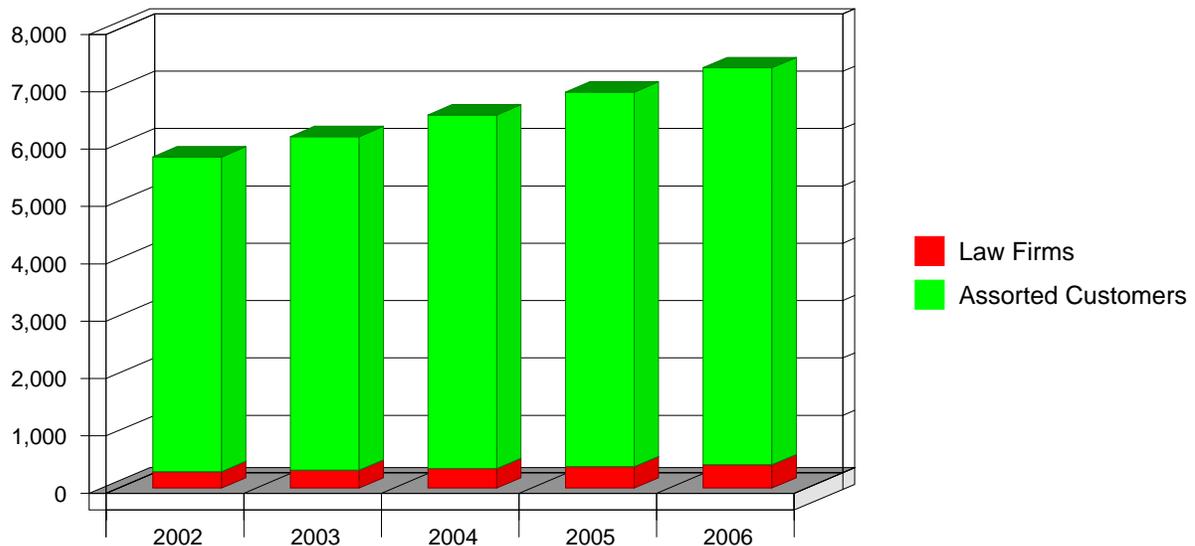
- **Professionalism:** While the delivery service does not inherently represent the firm, the firm will not use a service that is not professional to avoid any type of "halo effect" where the actions of the delivery service are interpreted to be indicative of the firm itself.
- **Expedited Service:** Law firms conduct business within a set of closely monitored, court imposed rules of punctuality. The deliveries must always be made on time. This not a concern for TWO because they utilize a redundant backup system, ensuring prompt delivery.

2.1.3 Market Trends

The market trend for the industry is a shift from court document delivery to opposing counsel document delivery. There has been a subtle shift in the legal industry within the last five to 10 years of a decrease in court litigation with an increase in cases settled prior to trial. There are many possible reasons for this observance:

- An elevation of the client's best interests that are often addressed through settlement instead of litigation.
- The incorporation of Alternative Dispute Resolution (ADR) within the law school curriculum during this time frame.
- Increased delays for court dates and trials making settlement more attractive. Within the last seven years, litigants wait on average 2.3 months for their case to come to trial.

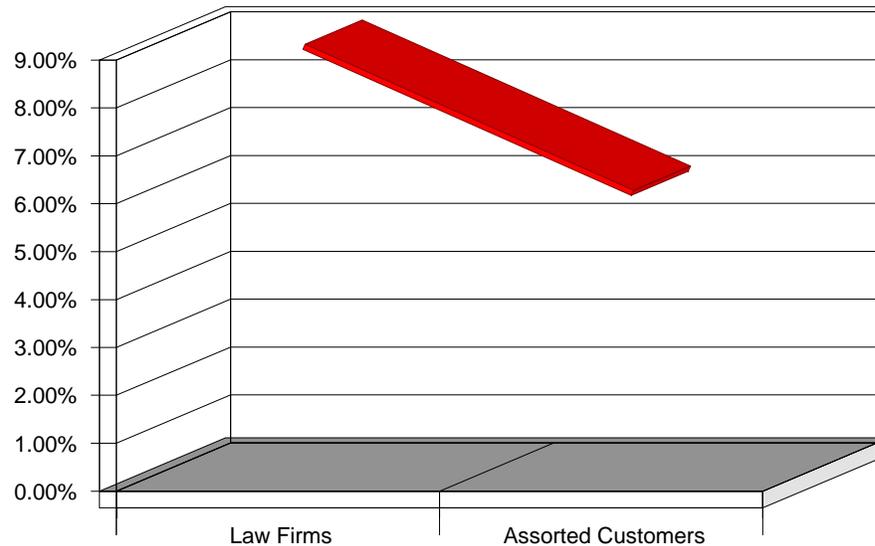
Market Forecast



2.1.4 Market Growth

In 2000, the document delivery market in Portland alone achieved \$12 million in revenue. As more people turn to lawyers to solve their problems, whether through litigation or ADR, the market will continue to grow at 5% a year. This growth is forecasted to continue for the next four years.

Target Market Growth



2.2 SWOT Analysis

The following SWOT analysis captures the key strengths and weaknesses within the company and describes the opportunities and threats facing Two Wheeled Oracle.

2.2.1 Strengths

- Unmatched legal industry insight.
- Benchmarked training programs ensuring professionalism and efficiency.
- The use of fast, eco-friendly delivery vehicles (bicycles).

2.2.2 Weaknesses

- The lack of brand, a factor of being a start-up.
- The struggle to convince law firms to ditch their current service provider in favor of Two Wheeled Oracle.
- The ability to balance time devoted to operations versus business development.

2.2.3 Opportunities

- The continual need for document delivery by attorneys.
- The increasingly developed infrastructure for bicycles.

2.2.4 Threats

- High turnover within the messenger industry.
- Electronic filing.

2.3 Competition

Serving the Portland area, there are about 20 different delivery services, about a quarter of these are taxi services that also make deliveries. The rest are courier or messenger services. Some use cars and a few use bicycle as the means of transportation. In general, the bicycle messengers are less expensive because they have lower overhead. In the heart of downtown, bicycle messengers can be as fast or faster than the car-based courier services because of automobile traffic.

There are five different companies that target law firms by catering to their special needs. All of these are car-based services.

Law firms buying habits are based on convenience and reliability.

2.4 Services

Two Wheeled Oracle will provide a bicycle messenger service that targets law firms. The service can be used to service notice on a party to a lawsuit, transport documents to a client or opposing counsel, as well as to file a document with the court clerk. In addition to responding to immediate calls for delivery, Two Wheeled Oracle will set up a subscription basis with law firms for a regular pick up every day to file documents with the court clerk.

Although Two Wheeled Oracle will target law firms, they will accept jobs from other companies/individuals that require a messenger service in downtown Portland. These jobs will be accepted but not solicited. The messenger service offers delivery times ranging from one to three hours.

In addition to document delivery, small packages can be delivered. It is rare that a law firm is in need to deliver packages so this will generally apply to the ancillary business. The maximum dimensions for package delivery are 12x8x8.

2.5 Keys to Success

The keys to success are:

- Reliability.
- Convenience.
- Custom service.

2.6 Critical Issues

Two Wheeled Oracle is still in the speculative stages as a start-up organization. The critical issues that it faces are: The need to take a conservative approach to expansion. Expansion must not occur for the sake of growth in itself, but should occur because the customers will be better served.

3.0 Marketing Strategy

Two Wheeled Oracle will target law firms through channels that all law firms typically see. The first is the Oregon Bar Journal. This is the newsletter that all bar accredited attorneys get. Advertisements will be placed in the journal to increase visibility of Two Wheeled Oracle. Additionally, there will be a Yellow Pages advertisement and brochures passed out.

This market will also be targeted through a networking scheme based on the owner's contacts that he made as a practicing attorney. Although the owner, Alwy, no longer practices, he is still a member of the bar and maintains membership on several bar committees. Through his activity on the bar as well as contact made during his practice, Alwy will leverage his network to create initial clients. This will not be difficult because a trust bond has already been formed with many different attorneys, and these attorneys will recognize that Alwy is keenly aware of the needs of attorneys in regards to delivery services. Because Alwy is aware of the attorney's perspective, it will be easy for him to gain the trust of his former colleagues and sign them up as clients.

3.1 Mission

Two Wheeled Oracle's mission is to provide law firms with an environmentally friendly, expedient delivery service. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our services will exceed the expectations of our customers.

3.2 Marketing Objectives

- Increase the number of firms/attorneys served by 5% a quarter.
- Increase repeat customers by 7% per quarter.
- Decrease customer acquisition costs.

3.3 Financial Objectives

- Profitability by the end of year one.
- Reduce training costs by 2% a quarter through more effective, efficient techniques.
- Decrease overhead by 5% a year.

3.4 Target Markets

Two Wheeled Oracle will service two distinct groups. The main group of customers, law firms, will be targeted primarily. Law firms are constantly in need of document delivery, whether it is to clients, other law firms, or to the court. This regularity of needed delivery is the reason that law firms are targeted. Once a law firm has become a satisfied customer, it is likely that they will begin to increase their delivery needs with Two Wheeled Oracle. This then becomes a steady, high frequency, long-term customer. Law firms have constant delivery activity, many firms require pick-ups many times during each day. Law firms require dependability, and this is one of Two Wheeled Oracle's competitive advantages so the fit is good.

The other customer group is assorted deliveries needed in the city. This could come from a wide variety of businesses that require delivery in the city.

3.5 Positioning

Two Wheeled Oracle will position themselves as a professional, reliable legal delivery service for the Portland area. Law firms, and for that matter attorneys in general require a delivery service as it is more efficient to have documents delivered by a service than for them to make the delivery themselves. This positioning will be achieved by leveraging TWO's competitive edges, reliability and industry insight:

- Reliability is a characteristic that is very important to law firms. The firms require reliable deliveries. The delivery of legal documents is critical. Two Wheeled Oracle achieves reliability through a redundant backup system that always provides an alternative method of delivery if the specific bicycle messenger encounters difficulty. By having a back up system, Two Wheeled Oracle ensures that even if the primary messenger fails, there is a backup ready to complete the delivery.
- The second competitive advantage is industry insight. It is a true advantage for Alwy to have worked as an attorney for several years. The insight is valuable because Alwy intimately knows what the needs are for attorneys in regards to document delivery. While other companies will gain some insight by serving the attorney market over time, it will not compare in breadth to Alwy's.

3.6 Strategy Pyramids

The single objective is to position TWO as one of the premier delivery services for Portland-based attorneys. The marketing strategy will seek to first create customer awareness regarding the offered services, develop the customer base, and work toward building customer loyalty and referrals.

The message that TWO will seek to communicate is that they are the ideal document delivery service for Portland attorneys. This message will be communicated through a variety of ways. The first method will be advertisements in the Oregon Bar Association Newsletter. This widely distributed and read publication has the ideal target audience.

The second method of message delivery will be an advertisement in the Yellow Pages. The Yellow Pages is the document that is consulted when trying to find service providers. Brochures will be printed up and distributed, disseminating information about Two Wheeled Oracle.

The last method communication is networking. As most business people know, networking is by far the most effective method for meeting people and leveraging relationships. As a former practicing attorney, Alwy will leverage his personal and professional relationships to generate visibility and awareness for TWO.

3.7 Marketing Mix

Two Wheeled Oracle's marketing mix is comprised of the following approaches to pricing, distribution, advertising and promotion, and customer service.

- **Pricing:** The pricing model will be flexible, it can be either a per delivery charge or a monthly subscription based on the number of pickups during the time period.
- **Distribution:** TWO will service the downtown Portland community.
- **Advertising and Promotion:** A multi-faceted campaign will be used to accomplish the stated marketing objectives.
- **Customer Service:** TWO recognizes that superior customer service is a necessary characteristic in order to gain market penetration.

3.8 Marketing Research

During the preliminary stages of the business and marketing plan development, several focus groups were held to gain customer insights and preferences. The focus groups participants were either attorneys or office managers. Each group had seven to nine people and were video taped to allow the facilitators to pay full attention to leading the group.

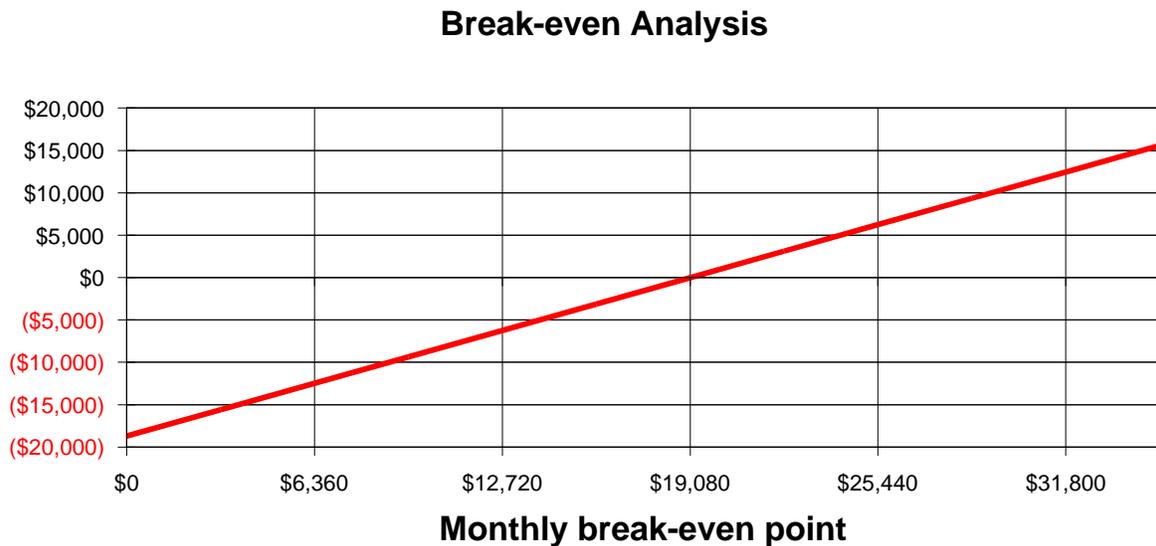
The results of the focus groups were extremely helpful. While some of the findings supported already-held assumptions and beliefs, some of the material provided new insight for TWO and helped shape the marketing plan. Alwy found that the groups were a valuable way of gaining crucial marketing information and has planned to hold additional focus groups in 12 months.

4.0 Financials

This section will offer a financial overview of TWO as it relates to the marketing activities. TWO will address break-even analysis, sales forecasts, expenses forecasts, and how they relate to the marketing strategy.

4.1 Break-even Analysis

The break-even analysis indicates that \$19,082 will be needed in monthly revenue to achieve the break-even point.



Break-even point = where line intersects with 0

Table 4.1: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	1,272
Monthly Sales Break-even	\$19,082
Assumptions:	
Average Per-Unit Revenue	\$15.00
Average Per-Unit Variable Cost	\$0.30
Estimated Monthly Fixed Cost	\$18,700

4.2 Sales Forecast

Two Wheeled Oracle recognizes that it is difficult to displace law firm's current service provider and will offer a 20% discount for a months worth of services. While this is a hit in terms of profitability, this is only a short-term concern. The long-term gain is securing a long-term customer.

Other than this economic incentive, Two Wheeled Oracle will employ Alwy's powers of persuasion when he is speaking with prospective clients and firms. His spiel will be based on describing Two Wheeled Oracle's reliability and their foolproof back up systems, as well as harping on his recognition of the clients needs based on his years of practicing law.

Monthly Sales Forecast

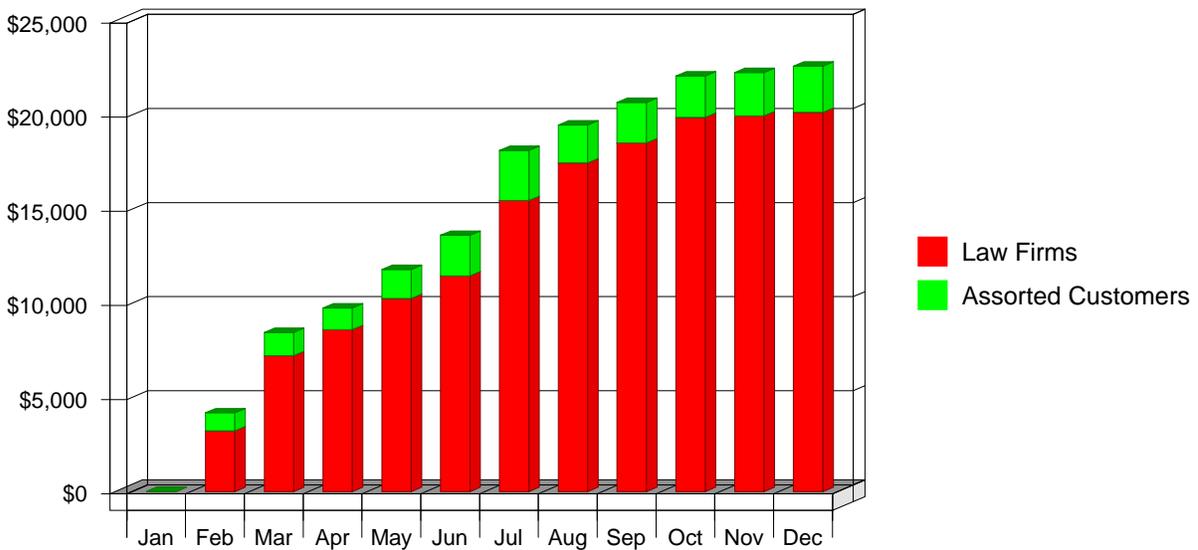


Table 4.2: Sales Forecast

Sales Forecast			
Sales	2002	2003	2004
Law Firms	\$152,159	\$255,458	\$271,554
Assorted Customers	\$20,848	\$30,254	\$35,125
Total Sales	\$173,007	\$285,712	\$306,679
Direct Cost of Sales			
Law Firms	\$3,043	\$5,109	\$5,431
Assorted Customers	\$417	\$605	\$703
Subtotal Cost of Sales	\$3,460	\$5,714	\$6,134

4.3 Expense Forecast

The marketing expenses are to budgeted so that they ramp up immediately during the first quarter. This timing is crucial to raise visibility for the start-up company. The expenses will settle down for a few months and then rise again toward the latter half of the year.

Monthly Expense Budget

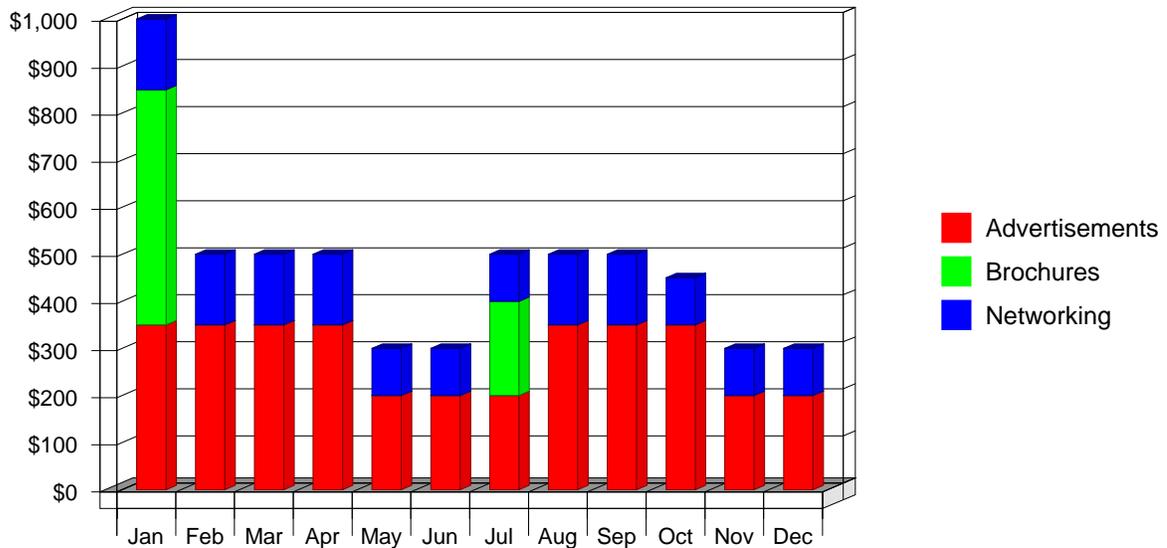


Table 4.3: Marketing Expense Budget

Marketing Expense Budget	2002	2003	2004
Advertisements	\$3,450	\$3,700	\$4,000
Brochures	\$700	\$0	\$0
Networking	\$1,500	\$1,500	\$1,500
	-----	-----	-----
Total Sales and Marketing Expenses	\$5,650	\$5,200	\$5,500
Percent of Sales	3.27%	1.82%	1.79%
Contribution Margin	\$163,897	\$274,798	\$295,045
Contribution Margin / Sales	94.73%	96.18%	96.21%

5.0 Controls

The purpose of TWO's marketing plan is to serve as a guide for the organization. The following areas will be monitored as a feedback mechanism:

- Revenue: monthly and annual.
- Percentage of repeat business not on a subscription basis.
- Customer satisfaction.

5.1 Implementation

The following milestones identify the key marketing programs. It is important to accomplish each one on time and one budget.

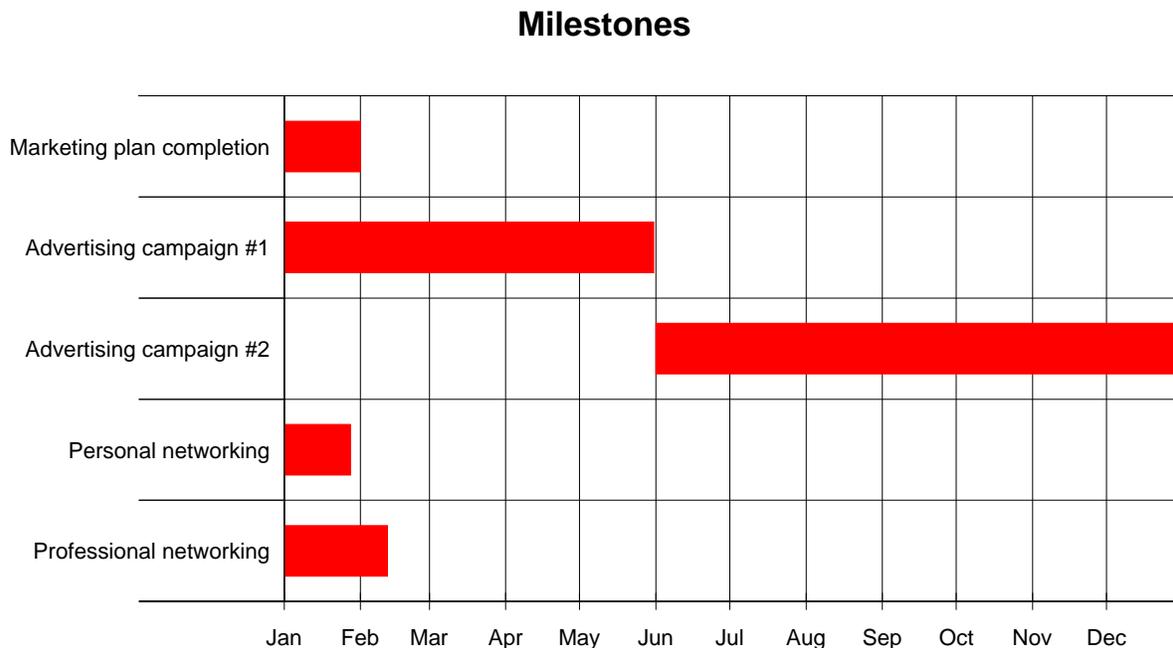


Table 5.1: Milestones

Milestones	Plan				
Milestone	Start Date	End Date	Budget	Manager	Department
Marketing plan completion	1/1/02	2/1/02	\$0		
Advertising campaign #1	1/1/02	5/31/02	\$1,800		
Advertising campaign #2	6/1/02	12/31/02	\$1,650		
Personal networking	1/1/02	ongoing	\$750		
Professional networking	1/1/02	ongoing	\$750		
Totals			\$4,950		

5.2 Marketing Organization

Alwy is primarily responsible for the marketing activities. Alwy will turn to an outside source for advertisement and brochure production.

5.3 Contingency Planning

Difficulties and Risks

- Problems unseating current service providers.
- Unforeseen difficulty attracting quality, reliable employees.

Worst Case Risks May Include

- Electronic filing becomes legislatively mandated for 100% of the court filings.
- Having to liquidate equipment to cover liabilities.

Appendix: The Two Wheeled Oracle

Table 4.2 Sales Forecast

Sales Forecast	Plan											
Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Law Firms	\$0	\$3,225	\$7,214	\$8,600	\$10,254	\$11,458	\$15,455	\$17,458	\$18,524	\$19,874	\$19,952	\$20,145
Assorted Customers	\$0	\$954	\$1,242	\$1,154	\$1,547	\$2,154	\$2,668	\$2,014	\$2,147	\$2,200	\$2,314	\$2,454
Total Sales	\$0	\$4,179	\$8,456	\$9,754	\$11,801	\$13,612	\$18,123	\$19,472	\$20,671	\$22,074	\$22,266	\$22,599
Direct Cost of Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Law Firms	\$0	\$65	\$144	\$172	\$205	\$229	\$309	\$349	\$370	\$397	\$399	\$403
Assorted Customers	\$0	\$19	\$25	\$23	\$31	\$43	\$53	\$40	\$43	\$44	\$46	\$49
Subtotal Cost of Sales	\$0	\$84	\$169	\$195	\$236	\$272	\$362	\$389	\$413	\$441	\$445	\$452

Appendix: The Two Wheeled Oracle

Table 4.3 Marketing Expense Budget

Marketing Expense Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Advertisements	\$350	\$350	\$350	\$350	\$200	\$200	\$200	\$350	\$350	\$350	\$200	\$200
Brochures	\$500	\$0	\$0	\$0	\$0	\$0	\$200	\$0	\$0	\$0	\$0	\$0
Networking	\$150	\$150	\$150	\$150	\$100	\$100	\$100	\$150	\$150	\$100	\$100	\$100
Total Sales and Marketing Expenses	\$1,000	\$500	\$500	\$500	\$300	\$300	\$500	\$500	\$500	\$450	\$300	\$300
Percent of Sales	0.00%	11.96%	5.91%	5.13%	2.54%	2.20%	2.76%	2.57%	2.42%	2.04%	1.35%	1.33%
Contribution Margin	(\$1,000)	\$3,595	\$7,787	\$9,059	\$11,265	\$13,040	\$17,261	\$18,583	\$19,758	\$21,183	\$21,521	\$21,847
Contribution Margin / Sales	0.00%	86.04%	92.09%	92.87%	95.46%	95.80%	95.24%	95.43%	95.58%	95.96%	96.65%	96.67%