

FIFTH TIME . COM
Music Circle of 5ths
Time Dial

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1. Executive Summary

FifthTime is calling our product, "The Stonehenge of Music Theory". In a uniquely fortunate achievement, FifthTime has secured two United States patents to a universally recognized music concept that doubles as a unique, novelty time piece. A similar analogy would be if FifthTime had patented the Mickey Mouse watch -- today -- capitalizing in the international establishment of the Mickey Mouse Club. FifthTime was founded, and is owned and operated predominantly by Victor I Della Rossa. The company received three outside investments from family and friends totaling \$15,000 toward development. Fifth Time plans to sell analog clocks and watches depicting the Music Circle of 5ths (the 12 keys of music), which commands at least a 4% global market, that is approximately 100 million potential consumers in the United States, and another 300 million potential consumers international.

FifthTime's objectives are fairly ambitious and achievable. We have introduced a unique fundraiser for music programs in education institutions, and venues we have entitled, "*Everyone Wins!*", which should significantly raise recognition of our product and our philosophy in behalf of music students and the value of music in our families and communities. Music is proven to increase the connecting synapse in children, increasing intelligence, competence, self-esteem, as well as physical and mental abilities. Our product will ultimately achieve an inexpensive reference and practical novelty increasing appreciation among students, professionals and patrons in all ages, classes, races, and genres of intelligible music.

Target Markets

FifthTime is participating in a \$2 billion market that projects at least a 3% growth rate for the coming years. FifthTime will be targeting four customer segments: professional musicians, amateurs, music audiences, and music patrons. These markets are growing at least 3% each year, respectively. These markets have 161 thousand, 62 million, 25 million, and 25 million potential customers respectively. These figures are the USA market. The major trend in our market is toward United States sales. However, the market has seen a significant surge in international products primarily fueled by the recent entertainment exports. While the U.S. market has seen a 20% growth in the last 10 years, it is estimated that the international market may grow at 35% due to increased economic equity among nations.

Products

FifthTime currently introduces one product, with numerous products planned. Our TIMEX (Indiglo) Music Circle of 5ths may be personalized to specification is an exceptionally durable and sophisticated time piece, suitable to music students, professionals, audiences and venue patrons. TIMEX (Indiglo) is 100% guaranteed, waterproof up to 10 meters (won't fog up in the rain or marching formation), with standard Indiglo nightlight illumination, a sophisticated leather band, and an attractive and affordable student price under \$50 retail. Additionally, TIMEX Corporation allows FifthTime to personalize each order of 100 units to any venue or identity of purchase, thus enabling a unique fundraising opportunity for students and non-profit organizations.

Strategy

Our initial strategy is the development of our unique music fundraising program, entitled, "Everyone Wins!", that enables education institutions and venues to raise possibly \$20,000 per year for their respective music program. TIMEX Corporation allows us to design personalized versions of our product, providing exclusive value for students and professionals, alike. We are developing a marketing infrastructure with educational institutions, major retailers, watch and jewelry manufacturers and distributors, as well as celebrated music venues. This will introduce our products into three specific target markets. FifthTime will remain focused in student and patron markets to stimulate education and appreciation, and license to manufacture in high-end forums (i.e., Tourneau, Citizen) and to celebrities (i.e., Rolex - Itzhak Perlman, Paris Hilton, Elton John, Britney Spears). FifthTime also plans to produce software and screensavers for educational forums and patrons, wall clocks for educational institutions, and standing grandfather clocks with chime and pendulum for family and patrons.

Management Team

Victor I Della Rossa is a relatively seasoned entertainment and small business manager capable of executing FifthTime's ambitious strategies, with over 20 years of sales and marketing experience from numerous New York and Los Angeles agencies, including investment banks, legal agencies, manufacturing and production companies. In 1997 Vic Davidson Music was founded as a talent agency, and he is responsible for its nominal growth and stable reputation. As a small business consultant, most notably with non-profit organizations connected to SCORE, local SBDC's, Chambers of Commerce, and charitable organizations, his proprietorship greatly enhances FifthTime objectives.

FifthTime is a dynamic company built in humble circumstances in 1997 which has secured two U.S. Patents, one utility and one design, to establish a sizeable and exclusive market. FifthTime has won more than \$100,000 in grant awards from federal and state agencies, including the New York State Education Department. FifthTime projects at least \$250,000 revenue forecasts for 2007, which is impressive when you consider that this was all done with three nominal investments, and numerous awards, while no venture capital, albeit approved, has yet been secured.

1.1. Objectives

FifthTime has objectives that are not defined in pure economic terms, and that must be calculated in our ability to develop relationships with music interest organizations, such as the American Federation of Music, in which we plan to develop promotional programs, such as "Everyone Wins!" wherein we hope to hire music interns in every major U.S. city to produce awareness of our personalized product to high schools, colleges, universities, venues, and organize events to generate income, according to our economic goals, termed as:

1. To generate sales of at least \$250,000 in 2007, or 3 full orders per month.
2. To increase sales of double and triple year 2007 each consecutive year.
3. To increase gross margin to 65% and net profit margin to at least 25%.

4. To hold personnel to 1 full-time person (\$30K) for every \$250K in revenues.
5. To maintain at least 5% market share of the music product market.

FifthTime has additional objectives, such as the development of license contracts with manufacturers that will increase our ability to reach the professional and celebrity patron markets with products such as Citizen, Tourneau and Rolex, as well as the development of reference software and screensavers for promotions, standing grandfather clocks with chime and pendulum, and wall clocks for education, institution and venue purchase.

1.2. Mission

FifthTime intends to become a recognized distributor of products depicting the music theory Circle of 5ths, to musicians, students, audience participants and patrons. FifthTime values the institution of music and music education to stimulate intelligence, productivity and confidence in children and adolescents. Recently published by the National Association for Music Education (MENC) are the values of music and music education to all students, and the enrichment of the quality of the lives of children through adolescence, and beyond as demonstrated in the excerpts:

"PREKINDERGARTEN (AGE 2-4)

. . . Young children need a rich musical environment in which to grow. The increasing number of day-care centers, nursery schools, and early-intervention programs for children with disabilities and children at risk suggests that information should be available about the musical needs of infants and young children . . .

. . . reflect the following beliefs concerning the musical learning of young children:

1. *All children have musical potential ,*
2. *Children bring their own . . . ,*
3. *Very young children are capable of developing critical thinking skills through musical ideas ,*
4. *Children come to early-childhood music . . . ,*
5. *Children should experience exemplary musical sounds, activities, and materials ,*
6. *Children . . . ,*
7. *Children's play is their work ,*
8. *Children learn best in pleasant physical and social environments ,*
9. *Diverse learning environments are needed to serve the developmental needs of many individual children ,*
10. *Children need effective adult models."*

"GRADES K-4

... Further, to participate fully in a diverse, global society, students must understand their own historical and cultural heritage and those of others within their communities and beyond. Because music is a basic expression of human culture, every student should have access to a balanced, comprehensive, and sequential program of study in music."

"GRADES 9-12

The study of music contributes in important ways to the quality of every student's life. Every musical work is a product of its time and place, although some works transcend their original settings and continue to appeal to humans through their timeless and universal attraction. Through singing, playing instruments, and composing, students can express themselves creatively, while a knowledge of notation and performance traditions enables them to learn new music independently throughout their lives. Skills in analysis, evaluation, and synthesis are important because they enable students to recognize and pursue excellence in their musical experiences and to understand and enrich their environment. Because music is an integral part of human history, the ability to listen with understanding is essential if students are to gain a broad cultural and historical perspective. The adult life of every student is enriched by the skills, knowledge, and habits acquired in the study of music."

The U.S. Endowment for the Arts demonstrates there are at least 62 million amateur musicians in the United States, and the 4% of the nations populating plays a classic music instrument. Demand for our twice patented product, including audience participation and family and venue patronage is potential at least one billion consumers, worldwide.

The Coffee Warehouse plans to develop strong relationships with key customers so we will be viewed as indispensable partners, rather than just another supplier. We will work closely with each customer to recommend product assortment unique for their retail base, appropriate stocking levels, pricing and display assortments, as well as promotional ideas and material to increase sales. The Coffee Warehouse will seek out and work with the manufacturers we represent to deliver the most innovative and exciting products possible to the customers we serve. We are not only selling product, we are selling service.

1.3. Keys to Success

FifthTime believes our fundamental key to success has been achieved, primarily in the establishment of our twice patented product, the Music Circle of 5ths Time Dial, which in utility will chime each hour referenced, respectively, as well as in the design itself, we like to term, "The Stonehenge of Music Theory", with primary respect to the entity of Stonehenge in England. Capitalizing in this phenomenal achievement, numerous ventures are planned, accordingly.

Our fundamental management keys to success will be created, as we realize, and are able to:

- form partnerships with major manufacturers of high quality products,

- reach the professional and celebrity venue patron markets,
- create innovative quality products, such as reference software and screensavers,
- develop distributors for products such as standing grandfather clocks with chime and pendulum,
- provide music programs with personalized service and products that meet individual specifications,
- fully integrate programs such as, "Everyone Wins!" to help distributors, interns and music programs increase sales through event development, creative promotions, advertising, and custom marketing materials,
- sustain recognition of our exclusive distribution rights to products not currently available in our market,
- demonstrate the combined experience of the principal owner bringing administrative management skills, high levels of intelligent customer service, and 20 + years promotion, distribution and business development.

2. Company Summary

FifthTime has secured two United States patents to a universally recognized music concept that doubles as a unique, novelty time piece in an unprecedented, phenomenally valuable achievement. FifthTime is founded in direction of owner Victor I Della Rossa to patent, design, develop, produce and distribute clocks and watches depicting the music Circle of 5ths replacing the natural arabic or roman numerals 1 through 12. Intended to be a subsidiary of Vic Davidson Music talent agency, FifthTime broke with timeless tradition, to establish specific achievements, namely:

1. U.S. Patents established (Utility and Design).
2. Manufacture agreement with TIMEX Corporation.
3. Development of our fundraising program.
4. Contract to license additional distribution.

Fifthtime intends to produce, license, design and develop numerous clock, watch and time pieces in numerous price and product categories, for numerous types of consumers. Our initial focus in behalf of music students, predominantly, in education forums, through non-profit organizations, and unions, is through our "Everyone Wins!" school music fundraising program, respectively.

Additionally, FifthTime intends to capitalize in the music retail and performance venue, with personalized license-to-manufacture and distribution agreements. Internet consumers will appreciate reference software and screensavers available for added benefit. Family and venue patrons will appreciate our standing grandfather chime and pendulum clocks. Education and venue institutions will undoubtedly value wall clocks for program identification and student reference.

2.1. Company Ownership

FifthTime is founded in the auspices of Victor I Della Rossa. Originally planned as a subsidiary of Vic Davidson Music talent agency, our sizeable and exclusive market, coupled with our fundraising program, entitled, "Everyone Wins!", FifthTime has developed individual objectives. At least three investors have purchased interest in our company, namely:

- Mother, Yvonne G Della Rossa - 10% Interest
- Friend, Lola Davis - 14% Interest
- Friend, Greg Gordon - 7% Interest.

FifthTime has won at least \$100,000 in grant awards from federal and state agencies, and is seeking to incorporate and raise public funding through private placement and finally, an initial public offering, which we intend to calculate not less than in 0 year projection.

2.2. Start-up Summary

FifthTime has met a number of objectives toward bringing our product from concept, to development, to market. We have secured two U.S. Patents (one utility and one design), we have developed our internet presence, instated unlimited internet and telephone service, created business cards and brochures, and have purchased samples of our product for distribution. Our immediate task is to purchase inventory for distribution to catalog and retail outlets.

The breakdown of our start-up expenses (achieved) are listed as:

1. \$15,000 - Secured two U.S. Patents (one utility and one design).
2. \$5,000 - Developed website, business cards, marketing programs.
3. \$10,000 - Rent of studio facility with unlimited telephone and internet.
4. \$10,000 - Marketing and inventory include product and promotions.
5. \$1,000 - Miscellaneous expenses of auxiliary research and development.

Our preliminary marketing program is a unique fundraiser entitled "Everyone Wins!" that takes advantage of the TIMEX Corporation provision that allows us to personalize our product to any specification of design, colors, insignia, typeset, emblem or mascot. Our patents are recognized and usage protected in our TIMEX Corporation agreement. The development of our website and business cards has established our ability to effectively communicate with our potential consumers. Preliminary sample inventory has been distributed to retailers and have secured identification in numerous venues.

Start-up	
Requirements (achieved)	
Start-up Expenses	
Legal	\$15,000
Stationary	\$3,000
Website	\$1,800
Rent	\$7,800
Facility	\$3,000
Marketing	\$1,750
Inventory	\$6,800
Miscellaneous	\$1,000
Total Start-up Expenses	\$40,150
Start-up Assets	
Cash Required	\$10,000
Start-up Inventory	\$4,500
Other Current Assets	\$1,000
Long-term Assets	\$5,000
Total Assets	\$20,500
Total Requirements	\$60,650

3. Products

Our product is a novelty type reference for music students and music patrons. The depicted music Circle of 5ths is referenced to compose and transpose music similar as the 12 x 12 block form multiplication table is referenced by math students. As there are a perfect 12 keys in the Circle of 5ths, the logical numerical time dial are herein replaced with the appropriate music symbols to combine the practical reference of time. Furthermore, the symbols referenced are closely identified to the logical numerical representation of time.

Music students predominantly will want our primary TIMEX (Indiglo) Circle of 5ths due the value of personalization to each alma mater, the durability of the time piece, and the student friendly price. In music theory, the Circle of 5ths is referenced continuously to instruct composition and transportation of music, and to train students in the hearing recognition of the respective music keys represented. Having the practical use of time allows the students' ready identification to music and the respective institution, as well as the music concept itself.

Our TIMEX (Indiglo) Circle of 5ths will increase:

- the pride of students in the venue and institution,
- the interest of additional students in respective music programs,
- the prestige of students who participate in respective music programs.

We are fortunate to have secured the favor of TIMEX Corporation to allow our company to personalize our product. TIMEX Corporation is a world leader in time

manufacture, well known for durability and price integrity to ultimate consumer satisfaction.

Our TIMEX (Indiglo) Circle of 5ths are:

- 100 % guaranteed (shipped direct to customers from TIMEX Corporation),
- waterproof up to 10 meters (won't fog up in the rain or marching formation),
- with a durable leather band (sophisticated for music students and professionals).

TIMEX Corporation allows us to design personalization, including specific colors, inscription, emblem or mascot, and individual marks of identification for each order of a multiple of 100 units.

Since our TIMEX (Indiglo) Circle of 5ths price is student friendly (under \$50 retail), we have formed a fundraising program for music programs, entitled "Everyone Wins!", with potential to raise up to \$20,000 per year for each participating educational program. Since budgeting concerns eliminate arts and school music programs first, the value of our product to music students serves fundamental marketing purposes. Notably, the U.S. Endowment for the Arts demonstrates at least 62 million amateur musicians perform in the U.S. each year, with growth of at least 3% expected in the next 10 years. An estimated 45 million amateurs enrolled in high school, college and university music curriculums.

To demonstrate additional product objectives to the professional musician, audience and patron markets, we intend to develop mid-range products (\$500), and high-end products (\$1,000) in watch manufacture licenses, with possibly Citizen and Rolex, for professional and celebrity consumers (Paris Hilton, Itzhak Perlman, Britney Spears, Elton John). Finally, we intend to meet overwhelming computerized interest with reference software and screensavers. FifthTime plans to establish a prestigious music reputation with standing grandfather chime and pendulum clocks, and personalized wall clocks for music schools and retail venues, respectively.

4. Market Analysis Summary

Our market is exclusive to include music students, music professionals, music audience participants, and music venue and family patrons. The U.S. Endowment for the Arts claims at least 62 million amateur musicians perform annually each year in the United States. This number does not include 161,000 professionals currently employed in music companies, or an equal number of audience participants and music venue and family patrons, which possibly doubles our market estimation. The U.S. Endowment for the Arts finds that 4% of the nations populating plays a classic music instrument worldwide. This number, approximately 350 million worldwide, coupled with an equal number of audience and patrons, creates an approximate 5% - 10% potential consumer target of the international population.

We have an exclusive target of approximately one billion potential consumers who may purchase our patented Circle of 5ths Time Dial. Furthermore, there is a wide disparity of cost potential in this number, demonstrating that our high-end celebrity market, albeit the lowest in raw numerical value, may, in fact, be as equitable as our

low-end student market, the largest in raw numerical value, and our professional mid-range market may meet our ultimate profitability objectives with audience participants and venue patrons.

Furthermore, we will be able to offer our product for sale in a number of valuable retail outlets, such as major music retailers, music catalogs, large and small music performance venues, celebrity events, music trade unions and associations, educational programs, student associations, online catalogs and internet websites, as well as direct marketing from person to person. Patrons, for example, and collectors, may wish to purchase more than one of our product, since personalization will include many favorite and recognizable identities.

According to our research published by Advent Product Development in New York, the market for music products and watches is worth an estimated \$2 billion, and has grown at 20% in the last 10 years. With the onset of internet music and the wide participation of audiences, we believe the growth among amateur and professional musicians may, in fact, double or triple in the next 10 years, to include greater student enrollment, as well as venue patronage.

4.1. Market Segmentation

Musicians and music hobbyists are the target market for the Musical Circle of 5ths Time Dial. According to the United States Bureau of Labor Statistics, there are approximately 161,000 employed musicians and composers in the United States. Male musicians and composers claim 67.2 of this number, while 32.8 percent were females. The number of those employed in the profession of musicians and composers has increased almost 20,000 over the past 10 years. Approximately six in ten households have a member which has experiences playing a musical instrument. In nearly half of these household, one or more person currently play an instrument.

According to American Demographics, there were 62 million amateur instrumentalists, aged five and older. The median age of an instrumentalist has remained 28 years of age since 1985. Approximately 52 percent of the instrumentalists are female. Fifty percent of households with annual incomes of \$55,000 and over own a musical instrument, compared with 31 percent of those with an annual income of \$25,000 and under. Parents play an important role in the motivation of the amateur instrumentalist, as most players (85 percent) started playing between five and 14 and a large portion (36 percent) of current and former players reported parents being the motivation.

According to the U.S. Endowment for the Arts, approximately thirteen percent of all Americans attend classical music performances annually, three percent attend operas, seventeen percent attend musical plays, fourteen percent attend nonmusical plays, five percent attend ballets, and eleven percent attend jazz performances. Approximately four percent of the nations populating plays a classical music instrument. According to American Business Lists Magazine, there are 2,157 orchestras and bands in the United States. There are approximately 20,000 symphony orchestra concerts annually, with an attendance of approximately 25 million. Gross revenue for symphony orchestra concerts totals approximately \$430 million. Concert income total approximately

\$300 million and increased demand by Mexican consumers and increased musical instrument production requiring United States parts.

Market Analysis							
		2006	2007	2008	2009	2010	CAGR
Potential Customers (Estimated)	Growth (Estimated)						
U.S. Retailers	2%	50,000	51,000	52,020	53,060	54,121	2.00%
U.S. Patrons	3%	65,000,000	66,950,000	68,958,500	71,027,255	73,158,073	3.00%
U.S. Students	2%	35,000,000	35,700,000	36,414,000	37,142,280	37,885,126	2.00%
U.S. Amateurs	4%	62,000,000	64,480,000	67,059,200	69,741,568	72,531,231	4.00%
U.S. Professionals	1%	200,000	202,000	204,020	206,060	208,121	1.00%
U.S. Audiences	5%	67,000,000	70,350,000	73,867,500	77,560,875	81,438,919	5.00%
International Retailers	1%	150,000	151,500	153,015	154,545	156,090	1.00%
International Patrons	3%	195,000,000	200,850,000	206,875,500	213,081,765	219,474,218	3.00%
International Students	2%	125,000,000	127,500,000	130,050,000	132,651,000	135,304,020	2.00%
International Amateurs	4%	225,000,000	234,000,000	243,360,000	253,094,400	263,218,176	4.00%
International Professionals	1%	500,000	505,000	510,050	515,151	520,303	1.00%
International Audiences	5%	195,000,000	204,750,000	214,987,500	225,736,875	237,023,719	5.00%
Total	3.69%	969,900,000	1,005,489,500	1,042,491,305	1,080,964,834	1,120,972,117	3.69%

4.2. Target Market Segment Strategy

FifthTime has secured two United States Patents (with plans for international protection) to ensure a sizeable and exclusive market. Competition for our specific product is reduced, respectively. We intend to focus our marketing efforts primarily in the student market, with our initial product from TIMEX Corporation, priced accordingly. We will expand into the professional and celebrity markets through strategic license agreements with manufacturers, as well as distribution agreements with major music retailers, catalogs, and internet outlets.

The student market will be our specialty, designing personalized versions for each respective institution, and priced under \$50 convenient to students, events and patrons. With as little as a 25% margin, a well organized fundraising objective may raise up to \$20,000 per year for the school. Our initial product will also be available, personalized to major retail venues, for patronage, with a margin of 50%, which we plan to retail for less than \$50 to be easily purchased as holiday and birthday gifts for students and amateurs, respectively.

FifthTime plans to advance into the professional market with patent license agreements. Tourneau, Citizen, Movado, and other higher-priced manufacturers support the professional arts, and may license our patents with respect to exclusive venues, such as Lincoln Center, Carnegie Hall, Radio City Music Hall, etc. We plan to design a model for celebrities that may be licensed to Rolex, Cartier, Piage for world-renowned performers such as Itzhak Perlman, Paris Hilton, Elton John, Britney Spears.

Finally, FifthTime will produce reference software and screensavers for our patrons, as well as grandfather pendulum chime clocks for family patrons, and institutional wall clocks for education. Once again, we are capitalizing at least a 5% - 10% global market, from 700 million to one billion potential consumers.

4.3. Industry Analysis

Officials of the domestic industry of musical instruments show optimism concerning continued growth. Analysts expect dealer-sponsored classes for certain instruments will help to promote sales of that instrument. Increased participation in musical programs within the schools should contribute to an increased demand for orchestral and band instruments. United States shipments concerning musical instruments are anticipated to show an annual increase of one percent during the next few years. A report by the Bureau of the Census states that the eight to seventeen year old age group is predicted to increase to 36.6 million, showing an increase of approximately six percent. Because this age group is the largest market age group for musical instruments, this will likely increase demand for musical products.

A high-level meeting of educators and manufacturers of musical instruments was held in Newport Beach, California. The summit, which was sponsored by the National Association of Music Merchants, covered such topics as market research and statistics, music education, and the developing global industry. The meeting was attended by representatives of nearly 100 organizations and companies from several countries, including the United States, Japan, South Korea, Taiwan, Germany, Italy, and Mexico. Participants discussed the need for more reliable industry data and for common reporting standards to facilitate comparisons between countries. The recommended standards for music education that should be taught by grades 4, 8, and 12 also were discussed. The participants agreed that similar summits should be held in the future.

The Watches, Clocks, Watchcases, and Parts Industry (SIC 3873) includes establishments primarily engaged in manufacturing clocks (including electric), watches, watch cases, mechanisms for clockwork operated devices, and clock and watch parts (excluding crystals and jewels). Included in this industry are appliance timers, chronographs, timing mechanisms, time switches, and household and commercial timing mechanisms, and industrial timers. The value of industry shipments for the Watches, Clocks, Watchcases, and Parts Industry recently reached \$822.6 million, while product shipments for this industry totaled \$877.1 million.

4.3.1. Competition and Buying Patterns

FifthTime recognizes a variety of consumer patterns that are significant in our marketing objectives:

- Students will easily purchase personalized time wear for less than \$50.
- Professionals may appreciate an opportunity to wear a \$500 time piece.
- World-renowned celebrities have proven to be patrons of \$1,000 time wear.
- Our market for software and screensavers may possibly exceed a billion consumers.
- Wall clocks and standing pendulum chimes are planned for venues and family patrons.

Musicians are specialty consumers, from instruments, charts, cd's to identifiable celebrity patronage. Mostly, music is identified by students and professionals, as a form of status symbol, to depict class distinction, personality, talent, and even intelligence. Our product transcends every line of distinction, to coordinate a complete philosophy of music appreciation to all genres, personality, classes, status, intelligence and identification. Additionally, with product personalization, education forums, institutions, events, and venues will increase pride, patronage and prestige.

5. Strategy and Implementation Summary

FifthTime strategy intends to maximize our sizeable, exclusive, global market. Through our "Everyone Wins!" fundraising program, musicians, audiences and patrons, alike, will be excited to purchase our twice patented TIMEX (Indiglo) Circle of 5ths that must be licensed from FifthTime, and purchased either directly, or from vendors who will purchase high-volume orders.

In order of achievement, FifthTime implementation is structured to progress, as such:

1. Our personalized version of a standard product, can easily become a niche product, worldwide.
2. Our marketing infrastructure has the potential to reach music patrons in all national and global venues.
3. Our fundraising program ensures we will equitably gratify musicians, music programs, organizations, and venues.
4. We plan to license and manufacture specialized products such as software and custom chime and wall clocks.

Our TIMEX (Indiglo) Circle of 5ths is scheduled to become a status symbol in yearly education band competitions. Additionally, we are in current discussions with the American Federation of Musicians to secure military contracts with the U.S. Air Force, U.S. Marines Corps, U.S. Army, U.S. Navy and U.S. Coast Guard music programs.

5.1. SWOT Analysis

The SWOT analysis provides us with an opportunity to examine the internal strengths and weaknesses FifthTime must address. It also allows us to examine the opportunities presented to FifthTime as well as potential threats.

FifthTime has a valuable inventory of **strengths** that will help us succeed. These strengths include: knowledgeable and friendly service, durable and sophisticated products, generous pricing catering to students and patrons, with a clear vision of the market need. Strengths are valuable, but it is also important to realize the **weaknesses** FifthTime must address. Our weaknesses include: a dependence in a fickle industry of specific trends and changes, and the cost factor associated with maintaining state-of-the art computer design equipment and promotional supplies.

FifthTime's strengths will help us capitalize on emerging opportunities. Our **opportunities** include, but are not limited to, a growing population of music students and audiences, and the growing interest fostered by the new music communities. **Threats** of which FifthTime should be aware include, the rapidly changing industry trends, and competition with established industry products.

5.1.1.Strengths

- Strong relationship with a supplier that offers a high quality and durable product, product guarantees, and specialized production capability.
- Excellent, knowledgeable, dedicated and stable, offering personalized customer service.
- Great marketing program that offers flexibility with a positive and attractive residual income.
- Strong, unique and personalized merchandising and product presentation.
- Good referral capacity with complementary vendors, music venues, and educational programs.
- Personalized products generate pride, promote interest, create prestige, and provide revenue.
- High consumer affinity among music industry and educational patrons.

5.1.2.Weaknesses

- Access to additional operating capital is limited at this time.
- Cash flow may be unpredictable, and a periodic problem.
- Company is still climbing to "credit and credibility" success.
- Product is new and, albeit recognizable, breaks tradition.
- Challenges of the seasonality of the educational programs.

5.1.3. Opportunities

- Growing market with a significant percentage of our target market still not knowing we exist.
- Strategic alliances offering sources for referrals and joint marketing activities to extend our reach.
- Promising activity from high levels of educational programs, venues, and events.
- Changes in design trends can initiate continuous updating, and therefore, generate sales.
- Increased sales opportunities beyond our introductory target area include several additional products that cater to a specific following of consumer.
- Internet potential increases visibility among marketers and consumers.

5.1.4. Threats

- Educational seasons impact projections and complicate purchase expectations.
- Continued price pressure due to market trends reduce comparable profit margins.

5.2. Competitive Edge

KEY COMPETITIVE STRENGTHS

No other wholesaler in the market offers our unique, double patented product with the variety of personalization we feature. We are uniquely positioned to take advantage of the increasing demands of the music identity and specialization trends because we focus exclusively on high-quality products and consumer gratification. In addition to our variety of products, FifthTime has exclusive distribution rights in the United States and (potentially) international music markets. This product is patented and will not be available in our market by any other suppliers unless in exclusive license to FifthTime.

KEY COMPETITIVE WEAKNESSES

Our primary weakness is that we are a new business, with a never-before introduced product, competing for recognition and product awareness in specifically established venues and organizations. To significantly build sales, we must produce new customers who will acclimate to our product and our marketing programs. However by offering our superior selection of product, new groundbreaking profitable marketing programs, and focusing on high-quality service and full service delivery, we believe we may quickly establish accounts and build strong relationships. Victor I Della Rossa has held extensive conversations and discussions with music venues, music organizations, and music distribution companies, as well as watch manufacturers, and patrons, that confirm this perspective.

5.3. Marketing Strategy

FifthTime will be marketing our product in numerous activities designed to enhance and develop greater value of our product to institutions, venues, and patrons, primarily music students, as well as professionals, audience participants, and family or venue patrons. Our marketing objectives are outlined as:

- “Everyone Wins!” fundraiser campaign to benefit students and education institutions,
- affiliate marketing and promotional benefits,
- retail distribution for venue patronage,
- celebrity venue promotional campaigns,
- additional license agreements for royalties,
- computer software, gaming, and screensavers,
- wall clocks for venue and student reference

FifthTime's success will be acceptance by all groups, which our promotional strategies will reflect. Obviously, our acceptance in one group will be helpful in obtaining acceptance in the others.

In our first and priority objective, we are intent upon marketing our product directly to education institution music programs, in our “Everyone Wins!” fundraiser campaign. TIMEX Corporation allows us to personalize each purchase of 100 units to specifications of colors, insignia, typeset, to include marks of identification specific to the respective education institution.

We have established communication with the American Federation of Musicians to negotiate a possible partnership. Our “Everyone Wins!” fundraiser campaign would be able to hire music interns in every major city AFM retains offices, to create a national network of affiliate institutions, venues and educators willing to benefit from our programs.

We have signed a proposal with Inventors Express to secure additional license agreements with manufacturers who will pay a royalty to market our patented concept. We have requested negotiation to work more closely with TIMEX Corporation to secure a marketing partnership or affiliation that will enhance our distribution efforts.

We plan to develop computer products, such as reference software, internet gaming for music, and screensavers for promotions and event demonstrations or productions.

To access our traditional music audience participants and our family and venue patrons, we are planning to develop chime and pendulum grandfather clocks, as well as institution, venue and education wall clocks for student and patron reference.

5.4. Sales Strategy

FifthTime's primary sales strategy is to increase awareness of our initial product from TIMEX Corporation to education directors of music institutions, venues and establishments. Since TIMEX Corporation has awarded us the opportunity to design personalized versions of our product to each respective institution, program and venue, according to specification, our student market is virtually limitless, highly lucrative and, most importantly, significant to the confidence, interest, participation and prestige of the respective music program and students, accordingly.

With our student market at least 62 million potential consumers in the United States, and at least triple that number internationally, potential five times that amount in audience and patronage, our efforts to secure major retailers, such as Amazon.Com, Virgin Megastores, Tower Records, Guitar Center and their Musician's Friend catalog, Sam Goody, and others is currently our simultaneous focus toward national (and global) distribution.

FifthTime has also signed an agreement with Inventors Express product brokerage firm in our attempt to license our product to higher market professional and celebrity manufacturers, such as, possibly, Citizen, Tourneau and Rolex, as well as to secure a greater distribution effort with our primary manufacturer TIMEX Corporation for wider recognition and credibility among education, institution and venue participants.

The extensive organizational efforts of the music industry toward the development of music programs for children and adolescent age groups, have generated an interest to secure possible partnerships with the American Federation of Musicians, VH1's Save the Music Foundation, among innumerable non-profit agencies in a similar mission.

FifthTime intends to meet extensive promotional campaigns in the internet and computer environments with reference type software, possibly gaming tutorials, as well as screensavers, calendars, and educational planners for various student lifestyles.

The patronage of family and venue audience support lends a specific credence to the value of establishing products with traditional longevity, such as grandfather clocks with chime and pendulum, as well as institution and venue wall clocks for student reference and identification.

5.5. Milestones

FifthTime prides our start-up achievements to include numerous milestones that are optimally required to begin profitable and productive marketing campaigns. Beginning in 1997 in our concept negotiations with TIMEX Corporation, FifthTime is now in a prime condition to promote our fundamental product(s) and programs to benefit music students, professionals, audience participants and family and venue patrons, in an equitable and mutual consideration. Our primary milestones to date include:

- product innovation and advancements
- approval and receipt of two U.S. Patents,
- capital funding achievements,
- manufacture agreements with a prestigious global manufacturer and distributor,
- license agreement broker partnership,
- ability to personalize our product to specification,
- development of a unique fundraising opportunity for education institutions,
- affiliate network capability to achieve greater market awareness and purchase agreements.

FifthTime is interested in building a successful company achieving \$50,000 in sales by 2004, a total of 15 orders (of 100 units), that is, at least 3 orders per month, hence. Sales should increase to \$250,000 in 2005, that is 7 orders (of 100 units) per month, and possibly doubling or tripling the next consecutive years.

We also forecast gross margin increases to 65% and net profit increases to 25%. Our goal is to hold personnel to one full-time employee (\$30K) for every \$250,000 in revenue.

With our flagship product, a genuine TIMEX (Indiglo), we will sustain a 5% market share (of 100 million), that is 5 million, as measured by U.S. Endowment for the Arts. These goals will be sustained by adhering to three keys to success, exclusive consumer market, market and consumer gratification (everyone wins), and innovative management objectives.

6. Web Plan Summary

Beginning with FifthTime.Com, we have produced our "Everyone Wins!" Affiliate program for any student or home business administrator who wishes to participate and benefit in and through the promotions offered with our product and our company. Additionally, we have developed communications with IBM.Com and Oracle's PeopleSoft networks to rebuild our public access infrastructure, which will generate a triple level communications platform, to be:

1. The public access front website that includes information and access to purchase and distribution.
2. The administrative access mid-platform that will enable Affiliates and Members to login and manage particular benefits not available to the general public and our end consumers. These Affiliates and Members will be able to access and chart personal distribution schedules, commissions, complaints and resolve, corporate announcements, as well as system communications to facilitate distribution efforts and objectives.
3. Our corporate network will include secure company management and officer communications, banking, loans, grants, shares, and all financial related data and communications, and the management controls that establish the administrative mid-platform access to Affiliate and Member participants. Managers will be able to implement program design, infrastructure, financial distribution, including payment of commissions,

dividends, and the final approval of purchase and distribution from manufacture to venue in multiple quantities.

The cost of the initial design and management will be a scalable venture with established network administrators who will charge a per month fee for hosting, management, increased bandwidth and design implementation. Our initial quote at the present is stable at approximately \$1,800 per month, which will likely increase in the coming years, as software and hardware costs and management considerations escalate.

Finally, our banking process will most likely be scheduled with Merrill Lynch, in the Cash Management program, which invests unused assets, continuously, each 24 hour turn of each 365 days, each year. The facility to add financial accounts for management and officer participation, in addition to the numerous platforms available to management, complete with network security protection that differentiates review and implementation is necessary for quick and secure financial transactions that concern white paper, shares distribution, dividend calculations, commission and management payroll, as well as, most importantly, highly complicated taxation procedures.

6.1. Website Marketing Strategy

FifthTime.Com has combined submissions with numerous internet search engines that support basic listing in major website protocol, such as MSN.Com, Yahoo.Com, Google.Com, and others. In the future, we will secure financial based internet advertisement and directed communications from agencies vested in the extensive promotional capabilities of the world wide web, such as:

- bulletin board discussions and communications in education, institution, and venue forums,
- search engine submission schedules, including daily, weekly, quarterly, and yearly,
- click through pay-for-play advertising, based in direct marketing philosophy,
- strategic marketing in numerous website malls designed to intensify visibility,
- banner and button affiliate programs that induce extensive awareness,
- extensive direct email campaigns to subscribers of music products.

6.2. Development Requirements

Although a beginning website marketing strategy includes developing a more qualified website, at the preliminary expense of approximately 90% greater in cost than my current site, for the purposes of this start-up plan, we will assume that:

1. our current site will be suitable to meet our current proforma projections,

2. financial based directed email promotions is belayed for our current future,
3. submissions cooperative in our present schedule will continue uninterrupted,
4. telephone and facsimile promotions are adequate until cash flow increases,
5. venture capital, high volume, or license agreements will implement objectives.

7. Management Summary

FifthTime founder and sole proprietor Victor I Della Rossa has extensive management study and experience, beginning with the three-time reading of Peter F Drucker's "Management: Tasks, Responsibilities, Practices" from 1992 - 1997. He finally established his talent agency, developed a preliminary business plan, achieved numerous business supervisor approvals, and began applying for grants to support his business concepts. In 1997, he established his venture with TIMEX Corporation to develop his now twice patented Music Circle of 5ths Time Dial.

In 2000, Victor cooperated with Advent Product Development to secure his marketing and production plans. He achieved patent pending status in April 2002, a \$50,000 grant approval, and began license negotiations, product development, and business negotiations with investors. He joined a local Chamber of Commerce, and cooperated with a large investment brokerage company to establish a \$5 million private placement memorandum. Although venture capital has yet eluded him, FifthTime has not been overwhelmingly, adversely affected. There are international objectives that must be secured in the near future, however, in the present responsibility, FifthTime is in complete capacity to deliver goods in immediate purchase agreements, and is making every marketing effort possible to achieve a positive cashflow schedule, accordingly.

Victor has corporate experience in his talent agency Vic Davidson Music & Pro Multi-Media, Inc. established in August 2000, and has planned to take FifthTime to incorporation in the term of proforma outlined in this business schedule. Initially, each officer designation may include two management responsibilities, and we expect and will plan through our current proforma as such, or until our cashflow and purchase volumes increase to meet our personnel financial requirements. Ultimately, our management requirements will increase as our customer demands increase due to a proposed increase in purchase volume, license agreement, and product distribution.

According to proper management protocol, expansion to mid-sized corporation will be scheduled according to appropriate financial considerations, such as extensive volume purchase, extensive license agreement, or adequate venture capital and grant funding, respectively.

7.1. Personnel Plan

At the present, Victor I Della Rossa (aka Vic Davidson) is the sole proprietor of FifthTime. With three investors, our profit will be shared according to our interest investment participation. In the near future, a plan to incorporate will become necessary as volume and license agreements are created, for management facilitation. To coordinate financial competence, including value to shareholders, taxation and personal benefits, payroll and distribution activity, incorporation will implement officers responsible for:

1. Financial, legal, corporate, license and company direction,
2. New product design, development, and distribution,
3. Administrative, personnel, and payroll facilitation,
4. Marketing, sales, promotions, and events,
5. Public relations and customer service.

A separate person or team will ultimately be responsible for each management responsibility at the time our cashflow and financial capacity will support our expansive objectives. However, to facilitate the purpose of our immediate proforma projections, our sole proprietorship must prevail.