

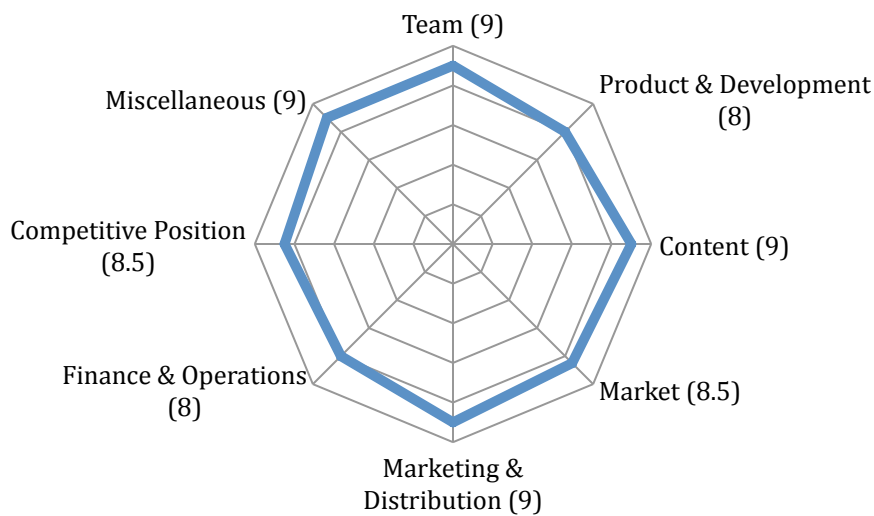
DVFR Opportunity Profile

Promising Investment Options Examined

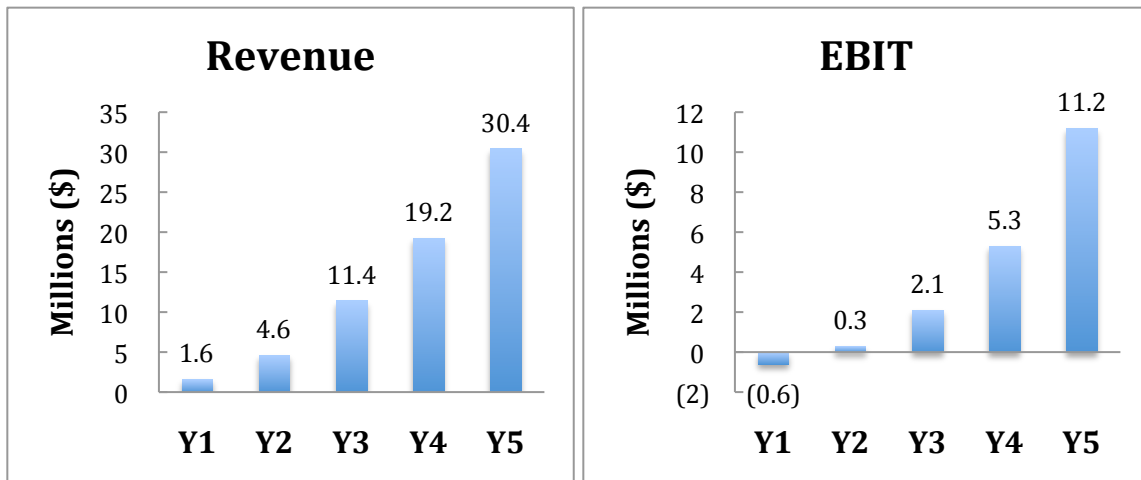
Company: Interactive Multimedia Learning
Category: Professional training
Stage: Pre-operational, pre-revenue

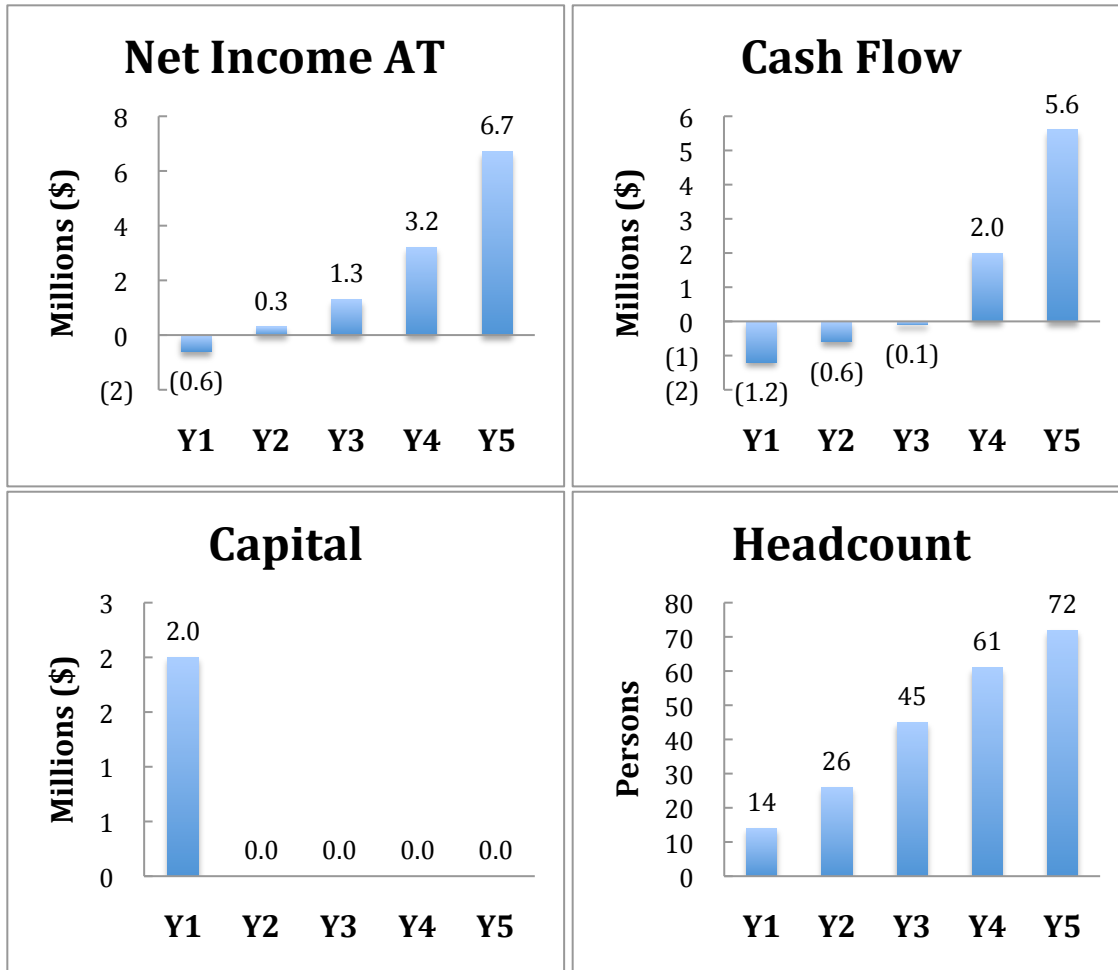
Funds sought: \$2M in equity
CEO: James Ramsey
Contact: [XXX-XXX-XXXX]

Critical Success Factor Ratings



Numbers Projections





Overview: Founded in March, 1994, IML has accumulated significant soft assets, including exclusive licensing, development and distribution agreements; a quality management team; and a product design/prototype. The firm's thorough business and operational plan addresses the \$1 billion professional education market, initially targeting mandated continuing education for CPAs and attorneys. Given \$2 million in start-up capital, conservative market penetration assumptions yield projections of \$30 million in revenue in year five, with 22% after-tax net income. With additional capitalization, revenue and earnings can increase substantially.

Team (9): The well-balanced, four-member management team has more than 80 years combined experience, primarily in professional publishing. This includes substantial senior-level experience in the accounting and legal markets at companies such as Warren, Gorham & Lamont, Research Institute of America, Matthew Bender and John Wiley & Sons. All four members have successfully driven start-up technology enterprises, and three have significant CD-ROM experience. The CEO recently led a CD-ROM publishing division from start-up to \$40 million in revenue in two years.

Product & Development (8): IML's product is a viable, cost-effective alternative to traditional methods, offering self-direction, flexible learning methods, integration of multiple data types, time savings and on-demand, on-site availability. The firm's development partner is the award-winning Silicon Valley media firm, CKS Partners. Products can be released approximately six months after funding. Short cycles and low cost per product for development allow IML to realistically project the release of 50 products in five years. Products can be updated via subscription and can support adjunct products/services, thus providing recurring, incremental revenue.

Content (9): Most of IML's content is licensed exclusively from the American Institute of Certified Public Accountants, the nation's largest and most respected accounting association. IML has selected the most successful print, audio and video materials as a basis for its products, and is adding interactive features and content from recognized experts on the topics addressed, including accounting and legal specialists ProWrite.

Market (8.5): IML can achieve year-five projected results by capturing less than 5% of the well-defined accounting and legal markets. Fifty-seven percent of CPAs use CD-ROMs in their core work, tax preparation and research. The legal market indicates readiness for this type of product. Independent research shows that the target markets are moving dramatically from seminars to self-study programs, particularly computer-aided ones.

Marketing & Distribution (9): An exclusive arrangement with IACPA enables IML to reach more than 60% of the CPA market through advertising, direct mail, face-to-face selling and PR. Similar access to the legal market is planned through relationships with professional organizations. The IACPA endorsement will help position and differentiate IML's products from those of its competitors. IML will penetrate the remainder of the market via targeted advertising, telemarketing, and field sales campaigns.

Finance & Operations (8): The management team has developed detailed plans for operations over the first five years. Licensing, partnering and outsourcing have significantly reduced the projected operational burden in the first two to three years. The CFO and COO have substantial experience in their areas of responsibility.

Competitive Position (8.5): IML has a good understanding of current and potential competitors. Just three other companies now offer computer-based programs – only one for the Windows platform. Potential competitors, which are divisions of large publishing concerns, are well-entrenched in reference but not in continuing education – and are not expected to move quickly in this direction. IML estimates a 12-18 month product lead, which it should be able to maintain.

Miscellaneous (9): IML has demonstrated substantial skill in alliance development and cost management. Short development cycles allow quick market feedback and recalibration of strategy and tactics. The company is scalable, with additional

growth opportunities coming from straightforward expansion of its product line and diversification into other markets such as financial planning, corporate operations and health professions. With success, the company should be a very attractive IPO or acquisition candidate.

Scott Mize, Editor in Chief

**Originally Published in *DV Finance Report*
Strategy and Tactics for Interactive Media Title Ventures
Premiere Issue**

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