

Wearable Technology Limited
Game Technologies
Company Marketing Plan

Melissa Tako Kronenberger
Wearable Technology Limited
me@melissakronenberger.com

1. Non-Disclosure Agreement

THIS AGREEMENT("Agreement") is entered into on __/__/____ (d/m/y) by and between Wearable Technologies Limited (the "Disclosing Party" or "Disclosure") and the undersigned reader, _____ (the "Receiving Party" or "Recipient") concerning the presentation of this document and all accompanying materials (the "marketing plan" or "plan").

The Recipient acknowledges that the information provided by Wearable Technologies Limited in this marketing plan is confidential; therefore, the Recipient agrees not to disclose it without the express written permission of Wearable Technologies Limited.

It is also acknowledged by the Recipient that the information furnished in this marketing plan is in all respects confidential in nature, other than information which is in the public domain through other means, and that any disclosure or use of same by the Recipient, may cause serious harm or damage to Wearable Technologies Limited.

The Recipient agrees not to make copies of this plan or of any confidential information furnished by this marketing plan. Upon request, this plan is to be immediately returned to Wearable Technologies Limited.

_____ Signature

_____ Name

_____ Date

This is a marketing plan for Wearable Technologies Limited. The presentation of this marketing plan does not imply an offering of securities.

2. Table of Contents

[Non-Disclosure Agreement](#)

[Table of Contents](#)

[Executive Summary](#)

[Situation Analysis](#)

[Our Clients](#)

[Client Objectives](#)

[Client Offerings](#)

[End User Market Attributes](#)

[Demographics](#)

[Behavior](#)

[Geographics](#)

[Buyer Market Attributes](#)

[Demographics](#)

[Behavior](#)

[Market Needs](#)

[End User](#)

[Buyer](#)

[Client](#)

[Additional](#)

[Market Needs Summary](#)

[Market Trends](#)

[Wearable Technology Industry](#)

[Serious Games Industry](#)

[Mobile Games Industry](#)

[Pet Games](#)

[SWOT Analysis](#)

[Strengths](#)

[Weaknesses](#)

[Opportunities](#)

[Threats](#)

[Competition](#)

[Keys to Success](#)

[Critical Issues](#)

[Marketing Strategy](#)

[Mission](#)

[Marketing Objectives](#)
[Financial Objectives](#)
[Target Markets](#)
[Positioning](#)
[Strategies](#)
[Marketing Mix](#)
 [Pricing](#)
 [Distribution](#)
 [Advertising](#)
 [Customer Service](#)
[Marketing Research](#)
[Financial Overview](#)
 [Break-Even Analysis](#)
 [Sales Forecast](#)
 [Expense Forecast](#)
[Controls](#)
[Implementation](#)
[Marketing Organization](#)
[Contingency Planning](#)

3. Executive Summary

Wearable Technologies Limited (WTL) is a startup that provides software solutions B2B for wearable technology companies.

In addition to its software solutions, WTL is developing its own proprietary software products, including a game for affluent women that helps in managing depression. WTL's third revenue stream comes through R&D funding for the development of its core technologies which will contribute heavily to the success of its other activities.

The market for our solutions has boomed. In addition to major players like Nike, San Francisco's 2013 Wearable Technology Conference reported over eight thousand new startups funded by billions of dollars of venture capital. The diversity of their offerings and physical location provides WTL with a huge global market of potential clients.

Wearable technology is one of the top trending industries of 2014, in part due to rising health concerns from a growing 50+ baby boomer generation. The software our clients currently rely on to address this demographic is informational but not engaging. WTL provides a strong point of product differentiation by offering software solutions that focus on motivating end users to stick to their health regimens.

WTL's core technology has been in development for three years, and during that time has established great demand from potential clients. Startups in the market are experienced with targeting their users, but crave a 'killer app' to help them stand out. Wearatech Inc., an American company, became a shareholder in WTL with the intention of also becoming the first client.

The strong management team at WTL will leverage the company's solid business model, long-term planning, and detailed attention to client needs in order to capitalize on these opportunities and achieve fast, significant market penetration.

The five members of the leadership team combine fifty years of relevant experience in finance, management, quality assurance, customer service, software design, electronic devices, and production. At the union of these diverse talents, Wearable Technologies Limited knows how to deliver its solutions with quality, agility, and a high level of service.

Initially, WTL will sell its solutions face-to-face to hardware companies it meets through trade shows and networking events, and by using a website as a marketing and communications tool.

By adapting and leveraging its core technologies, WTL can then focus on nurturing strong relationships with a large number of innovators on their route to maturity, and position itself as the go-to company for tailored software solutions in the industry space.

By the end of its first twelve months, WTL will have solidified relationships with several clients, completed the production cycle for its first round of core technology, opened conversations with a number of outlets, and established a plan for the launch of its products.

4. Situation Analysis

WTL is a software company in the wearable technology space, supplying software solutions B2B for improving end-user motivation. Our ‘magic sauce’ is our use of digital pet games in order to supply this motivation. This approach is exemplified in our core technology, which we intend to license both as part of our solutions and separately. In addition we will use these same core technologies to develop our own software products.

We have established strong demand for our solutions, technologies, and products both B2B and from investors encouraging us to develop products B2C. We have also secured a relationship with the American company Weartech Inc who also intends to become our first client.

Although our clients can be found internationally, they are currently focusing the majority of their resources on servicing the US market, which represents approximately 80% of the current world wearable technology demand. Notable, growing markets for wearable technology include Japan, South Korea, and China. WTL is pursuing relationships with several companies in these countries.

Wearable technology is a top trend of 2014, and is estimated to boom from a \$2 billion dollar industry to a \$20 billion dollar industry by 2018. Ninety-six percent of wearable technology devices are activity trackers aimed at helping to improve the end user’s health. The market is booming with startups and is experiencing an influx of venture capital.

In addition to this primary market, we have also established a strong demand for our product in a number of complementary industries, to which we expect to be able to provide our software solutions to with minimal modifications.

These industries include the learning games industry, which is expected to grow from a \$2 billion dollar industry to a \$10 billion dollar industry by 2017 and which has recently exploded due to the success of learning games in the mobile sector. “Gamefication,” or using games for business, education, and training, is also a top trend of 2014.

4.1. Our Clients

4.1.1. Primary Clients

WTL’s clients are attempting to claim territory in rapidly growing and unexplored markets. They are either innovators or early adopters of new technology, and many have adopted blue ocean approaches to their company strategies.

Our initial clients are wearable technology startups, most of whom will be targeting the USA market. Our primary example is our client and partner, Weartech Inc., which intends to target members of the American Association of Retired Persons (AARP).

These clients are selling end users on the opportunity to improve their personal health situations. As part of their complete bundle of benefits, our clients want to also offer their customers software that helps motivate them to stick to their technologically-augmented healthcare regimen. Through discussions with these clients, we have established they desire gamified software solutions, which they believe will provide the proper motivation.

As we grow in reputation for our service, we intend to target larger companies who are dabbling in wearable technology, typically through subsidiary companies and R&D initiatives. When offering our solutions to these companies we must understand that while they are still addressing consumer healthcare issues, their wearable technology products typically comprise a smaller and supportive part of their overall company plan. Here in many instances our solutions will have a secondary purpose as part of a company's promotional initiatives. For instance, a solution for Nike's Fuelband would need to help to enhance the company's image and user brand recognition while drawing further attention to the company's main product lines.

4.1.2. Complementary Clients

Our product has been tailored to service USA-targeted wearable technologies companies in healthcare. However, our product is therefore also suitable for licensing to a set of related, complementary industries.

Our first complementary industry is simply wearable technologies companies who are not targeting the USA. We believe startups servicing in other countries (ie. China), have an opportunity to sandbag their own niche markets as interest in wearable technology continues to grow. An example potential client is Macrotellect, a Shenzhen company producing brainwave devices, whose CEO David Lu has agreed to sit on our advisory board. Furthermore, these companies have the opportunity to begin distribution in the USA after testing out their products in outside markets.

The key defining attribute shared between our primary and complementary clients is that they all wish to use games as a tool or vehicle to achieve some ulterior goal. These 'exterior goals' include healthcare, education, training, socializing, promotion, creativity, and advertising. As a solutions provider, licensor, and consultant, WTL's role is to focus on fulfilling the client's need for good software, skillful integration, and responsive service while the client focuses on marketing, selling, and meeting ulterior objectives.

Our complementary client pool includes learning games firms such as Educational Technologies Limited (ETL), a subsidiary of Marshall Cavendish Publishing Group. It also includes entertainment companies which require software solutions for minigames, offshoot games, or interactive promotional materials.

An example of an entertainment company WTL would be well-suited to servicing would be Sega. Sega's *Sonic the Hedgehog* games frequently contain minigames for rearing in-game pets called 'Chaos' (Kay-ohz), which falls directly under the domain of WTL's first round of core technology. Bidding to provide solutions for these types of clients is one of WTL's objectives which has the potential to help solidify the company's reputation.

4.1.3. Client Objectives

Our clients need games that help them achieve larger goals.

In terms of our primary clients, these goals are clearly to promote healthcare, increase user retention, and motivate their customers to stick to personal health regimens.

For our complimentary clients these goals are specific to the industry and to specific project we are targeting, and range across health care, education, training, socializing, promotion, creativity, and gameplay goals.

For our primary market segment and for the majority of our complementary market segments, our client's business model will be to use our software offerings to sell their services, hardware, and supplementary materials. In the case of some of our complementary markets, such as learning games, our software will act as the vehicle for their content. When we target larger entertainment companies, we can expect our clients are looking to meet promotional or user experience goals which we must be clear to understand per project.

4.1.4. Client Offerings

When it comes to the platform for our software solutions, our clients prefer targeting the mobile market with a strong focus on iOS. Wearable technology is still commonly seen as a luxury market, and products take a marketing and product concept in order to sell. This approach is synergistic with Apple, as iPhone and iPad devices are bought for similar reasons.

Although the Kindle Fire is popular among our 50+ American audience, and Android has gained popularity in China, these devices are purchased under different philosophies, and for these reasons our clients feel they are less desirable targets.

In addition to our software solutions, our clients offer physical hardware products, services like personal nutritional or healthcare advice, behind the scenes data analysis, manual (human) sorting and tracking of

individual customer data for healthcare purposes, and websites. Weartech Inc. offers many of these services on a subscription based model to its consumers.

Our clients' hardware-oriented and subscription-based business models make pirated versions of their software nearly useless, and in fact many instances their software is free to download. They use their websites and the larger scope of their benefit packages to avoid paying royalties to the mobile app stores.

Aside from the entertainment companies which make up a small portion of our complementary client pool, our clients are rarely on console. When they need console offerings, they work through the Nintendo DS handheld console line and the Nintendo Wii-U. If the Wii Fit U gains popularity, we would expect it would become an ideal platform for a small number of our complementary clients. However, the general struggles faced by the Wii-U and the lack of synergy between startups and consoles while mobile phone and tablets are much more accessible makes the Wii-U a system we do not expect to target in the near future.

WTL has a number of complementary clients whose complete package offerings include physical products aside from hardware such as books, DVDs, or toys..

4.2. End User Market Attributes

Owed to WTL's B2B business model, the company is able to keep marketing costs low by relying on our clients to conduct most end-user marketing on our behalf. This includes providing information about their target demographics on a per project basis and then selling the product themselves.

Our clients tend to have very strongly defined target demographics, and in many cases the development of their physical products and the early age of their industries means they know their distribution pipelines very well. There are some generalizations we can draw about our clients' end users based on this information.

4.2.1. Demographics

Our clients do not target the mainstream gamer crowd. Their end user belongs to either an older (50+) or younger (under 10) demographic. Below deals primarily with the end user 50+ demographic.

In the case of Weartech Inc, the complete product offering is targeted towards a user aged 50+ who is also a member of AARP. These are people concerned about and actively working to improve their health and lifestyle situations. The product is typically purchased by the end user, or by a male end user's wife (Women make 80% of all household purchases, and these numbers are exaggerated when it

comes to older, affluent, baby-boomer women concerning health care; however women also tend to purchase more for others than for themselves).

At this point in this marketing plan, we would like to take some time to segment the market our clients can target further, to gain some additional insights about potential buyers and their needs.

After reviewing data on smartphone penetration and operating system preferences in the USA, we expect our client companies to see an underrepresentation of African American end-users, and an overrepresentation of pacific islanders and asians, with above-average representation of hispanics. The white demographic has the lowest smartphone penetration of any ethnicity in the United States, but prefers iOS as much as the hispanic ethnicity.

Many of these end users will still be working, but it is important to consider how differing circumstances affect different demographics concerning retirement. Whites receive the largest benefits from Social Security in the USA, meaning they are also more likely to have disposable income; and as hispanics have higher immigrant populations they tend to receive lower benefits from Social Security than native born US citizens.

Few US citizens are retired at the age of 50, and this is typically the age when a family's children are finishing college and the target market is beginning to make personal luxury expenditures again. Newly departed older relatives may leave this demographic with some inherited funds. Persons of asian and pacific islander descent have larger average salaries than persons of other ethnicities. The net wealth of asian and white households is comparable, while the net wealth of hispanic and african american households is on average much lower.

We expect our clients' end users to be influenced by the poverty line, with non-affluent buyers allocating resources to treat themselves, but poorer buyers being excluded by high price points and our client's subscription based model.

Obesity in the US skews towards a poorer demographic, and there is an overrepresentation of the african american and hispanic ethnicities amongst people suffering from obesity. Our clients may wish to consider this when establishing their costs and value bundles, and take steps to determining if there are alternative distribution pipelines for reaching this demographic with the help of grants, charities, or other organizations. When making these considerations, it is important to note the other factors about the general hispanic demographic, including its increased preference for iOS and its higher smartphone penetration, which might make it easier to target than the general african american demographic.

It is also important to look at buyers who may not be the end users of the product. As mentioned above, the target demographic enjoys spending money on its loved ones, and while it may identify the

client's offering as valuable, it may purchase the offering for a spouse, child, or even older relative, rather than purchasing the offering for itself.

Weartech's secondary set of buyers and Macrotellect and ETL's primary set of buyers are a demographic of 25-45 year old females who are members of the end user's family. When targeting the older demographic, this is typically the user's daughter; when targeting the younger demographic this is typically the user's mother.

4.2.2. Behavior

The 50+ and 10- demographics are more familiar with mobile devices than computers, with a bias for Apple smart phones and tablets. This section primarily hands the 50+ end user demographic.

The client's end users are above the poverty line and somewhat affluent. They have a wide variety of different exposures to technology. Some are nearly luddites and may be unaware that AARP even has a website. Others are very technologically savvy. They respond well both to organic, futuristic shapes, and to themes that remind them of their youth. When designing for these audiences, it is important to consider a large number of personas and use cases, and to correctly set up user expectations to reduce frustration and increase user retention.

Weartech's market is highly health conscious, with members typically part of AARP (The American Association of Retired Persons). They struggle a bit with applying their interest in health. They may know all the best organic and nutritious foods, but then binge on a cake. They have likely been on a diet that they were unable to stick with. If they are female, they know how to cook.

The target demographic has two distinct prongs. The more affluent prong is less likely to be obese or to suffer from medical conditions related to obesity, but at the same time will value exercise and healthy living even when they are healthy and may be very interested in 'green' and organic lifestyles. The second prong is less affluent but still makes enough money to buy luxury items. It is more likely to suffer from obesity. This prong will aspire to at least the appearance of affluence, and its obesity arises from a less healthy diet. In the USA, obesity often correlated with poverty.

Representatives from the upper midwest who have retired in Florida, may have some relationship with eastern european immigrant communities; they may engage in activities like Oktoberfests, cooking related dishes, or visiting cultural restaurants. In the South, where diabetes and obesity are more prevalent, the issue end users face may be with a diet high in fried foods, namely meats and potatoes, with sweetened beverages and high fat dairy and eggs.

The end user takes some steps to safeguard his or her health, but frequently has trouble following through with meeting goals, despite having a generally strong work ethic. They are overweight, suffer from several medical conditions, and take vitamins and other medications regularly. They have difficulty remembering steps in their routine, or lack the motivation to carry it out and make it into a habit.

When they forget to follow through with a technique for improving their life (ie. a diet) they become disheartened and cannot get back on track, and later may generalize that failure to all similar attempts to improve their situation. It is vital to build in mechanisms to bring users back if they falter.

Wearable technology looks different from other techniques they've tried and will often break through this 'generalization,' but if a flood of low quality wearable technology products enters the marketplace it will be important to recognize this stumbling block.

Although above the poverty line and often affluent, this target demographic exhibits slightly unusual signs of frugality due to a fear of 'running out' of money later in life, as they have retired. They will spend big, but demand quality in exchange for their funds. They will embark on trips to the casino or on expensive cruises, but then turn around and flush their toilets with water they've collected from their air conditioner. They demand good relationships with companies, and are very sensitive to being 'deceived,' lied to, or ignored.

The end user may initially have some confusions concerning a product that is designed both to meet some utilitarian ends and to entertain. This is because the end user typically has two distinct states of mind when approaching digital media. When on a website, the end user is highly task oriented and likes things to be simple and for there to be a minimal amount of complexity in getting from their start point to the information or service they require. However when being entertained, the end user is more experience focused, and concerns themselves heavily with story, drama, details, and exploration of subtle complexities. They can enjoy vast hidden object games in which they painstakingly locate small objects on a very cluttered and overly detailed painting, but would grow frustrated with a banking website that was anything other than black and white and cleanly structured.

It is important to design very carefully for this end user and to make sure they enter the proper level of 'magic circle.' The experience and their expectations must be a very close match. The end user does not have much patience for technology that fails to meet their expectations, is often shy or distrustful towards technology in general, and forms opinions quickly if irritated or frustrated.

4.2.3. Geographics

The end users are in the USA and centered in the upper midwest, Florida, and California. Individuals in Florida have usually 'migrated' from the upper midwest after retirement. Smaller communities of retirees can be found scattered throughout the country and our clients are currently considering targeting these

communities as a testbed for proving their products. In the event that they pursue this route, we will gain additional demographic, geographic, and behavioral information about the end user as a result.

4.3. Buyer Market Attributes

This section of the marketing plan examines buyers when the end user is not within the 50+, American, proactive demographic targeted by Weartech Inc., but is rather a user 50+ or 10- for whom the product is bought by another family member, possibly without the end user's direct influence or input. The difference between this 50+ demographic and the one targeted by Weartech Inc. is usually that this demographic is less technologically savvy. In other countries than the USA, they are also less likely to suffer from obesity and "sedentary-lifestyle" issues.

4.3.1. Demographics

For these demographics, the buyer of the product is the parent or child of the end user. They are typically younger (20-30) when buying for children and older (30-40) when buying for their parents. The majority of buyers are female.

4.3.2. Behavior

The buyer of the product aspires to the appearance of affluence, tech-savviness, and leading a pro-active and modern lifestyle. They are concerned about their relatives' (the end user) well-being. they may be concerned about the end user's relationship to technology.

For example they may feel that traditional video games are unhealthy for their children, and that these 'serious games' offer a health alternative. They may also be concerned that their parents are luddites and need a closer relationship with modern technology.

Overall they have a positive outlook on technology as a force to better their lives. They may purchase our clients' products and services owed to their health and educational concerns, or they may use these concerns as an excuse to purchase a novel item.

Because the buyer is concerned with health, they may buy organic or green. If they are in the west they may be significantly more likely than other westerners to practice eastern and traditional medicine techniques such as reiki healing, yoga, acupuncture, or alternative medicine. If they are in the east they may be more likely to put their faith in modern technology, to buy western products, and pursue techniques to minimize risk and uncertainty in foodstuffs.

The buyer has certain expectations for the look and feel of innovative and friendly technology, which will strongly influence their buying decisions concerning our clients' products. These expectations are built

by successful brands like Leap Frog and Apple. The buyer's mental image of products suitable for children has been constructed by companies like Playskool and Disney.

They evaluate the legitimacy of our clients' products and claims based on certain criteria, such as standards, studies, boards, and lifestyle magazine articles. They are very interested in purchasing the 'best' or 'right' product and some customers may spend a considerable amount of effort analyzing and over-analyzing the choices available to them. They may even consider their purchase a kind of investment, and be unaffected or even repelled by words like 'low cost.'

They greatly disapprove of violence in games; but they are typically willing to overlook many playful forms of cartoon violence. They are concerned with concepts like addiction to games, too much screen time, wasting time, physical or mental inactivity, predators on the internet (including scams), bad behavioral influences (for children), and moral lessons (for children).

4.4. Market Needs

Wearable Technologies Limited's games technology needs to satisfy at least three levels of needs in order to be successful. These needs stem from the client, buyer, and end user levels. Below these needs are reviewed from the end user level up.

4.4.1. End User

For the end user of our primary clients, WTL must supply compelling user experiences, which motivate the end user to stick to their personal care regimens.

The key need of the end user is typically self-sustaining motivation which is internal to the product. The end user may not be motivated by outside forces to continue utilizing the product, and even if they are motivated by outside forces they may then resent the product and obtain less value from it. At the lowest level, our company must offer a compelling autotelic experience so that the end user will continue voluntarily utilizing our clients' products. This is also the level over which the development team at Wearable Technologies Limited has the most direct control.

For the majority of our contemporary client markets, the end user shares this demand for motivation.

4.4.2. Buyer

For the buyer, WTL must exhibit a high level of quality and match certain market expectations, while supplying measurement data that can later help the buyer assess whether the product was successful at helping the end-user meet certain goals.

The appearance of the game product and its aesthetics are more important to the buyer than to the end user when the two are not the same person, because the average end user only influences the purchase passively and indirectly. That is not to say that the product must look desirable to the buyer, but that the product's appearance and summarized activities must meet the buyer's expectations for what products are appropriate for (and will appeal to) the end user.

Buyers can be vocal of and judgemental towards products that 'don't work.' They crave *the existence* of a means to measure the end user's progress so that they can feel the product is accountable; however in practice they will seldom or even never end up looking at the measurement data.

4.4.3. Client

For the client, WTL must deliver an appropriate software solution sensitive to the company's circumstances that meets the project's target objectives. The client comes to WTL looking for a point of product differentiation that will help to make their business endeavors successful.

The client needs WTL to listen to their individual needs and goals, and maintain a strong working relationship with them while providing a high level of service. WTL's individually tailored solutions may entail integration, content creation, management assistance, assigning handlers, licensing, and/or consultation; and terms of payment may differ widely depending on the circumstances of the client.

4.4.4. Additional

Depending on a given client's business model and distribution method, there may be other sources of need which the client and therefore WTL will need to identify or account for.

We anticipate these needs to include user-derived needs such as making the software handicap accessible, addressing color-blindness, and overcoming cultural, or localization issues.

This plan anticipates additional needs relevant to the client's development pipeline, in which WTL will be responsible for ensuring successful integration or planning ahead to make future integration easier.

Additional needs arise out of hardware limitations and developments, and involve porting the technology to new platforms, and satisfying the requirements of distributors such as Apple.

Furthermore we anticipate a future set of needs to arise in which the client will wish to certify the legitimacy or effectiveness of their products and services, and will rely on WTL to propose software solutions which help in establishing their credibility.

4.4.5. Market Needs Summary

- Self-motivating experience for end user.
- Matching buyer expectations.
- Very personalized service for client companies.
- Reliability, adaptability, and professionalism.

4.5. Market Trends

4.5.1. Primary

4.5.1.1. Wearable Technology Industry

The wearable technology industry is a hardware industry forecasted to jump from a \$1.4 billion industry to a \$19 billion industry by 2018. Wearable Technology emerged as a top trend of 2014. Notable wearable technology products include the Nike FuelBand and Google Glass. Ninety-six percent of wearable tech devices are activity trackers, and in 2013 the San Francisco Wearable Technology Conference reported over 8000+ new startups attracting billions of dollars in venture capital and unknown self financing and crowdsourced funding. The industry's growing popularity is partially fueled by an aging, overweight, technologically enabled population, particularly in the USA.

4.5.2. Pet Games

The pet games industry market segment is large and synergizes with the target demographic described above for the wearable technology industry. Highly successful pet games include Nintendogs, EyePets, and Neopets. Neopets has many emulators, and by early as 2005 long before the mobile boom Neopets had 35 million unique users. EyePets was the best selling title for the PlayStation Move after launch and Nintendogs was the best selling Nintendo DS video game. Digital pets games can be understood as arising from the Tamagotchi handheld device. Digital pet games are popular with casual game audiences, especially children and mature women.

4.5.3. Complementary

4.5.4. Learning Games Industry

The learning games industry is expected to grow from a \$2 billion dollar industry to a \$10 billion dollar industry by 2017. This industry has recently exploded due to the success of learning games in the mobile sector. "Gamefication," or using games for business, education, and training, is a top trend of 2014.

4.6. SWOT Analysis

4.6.1. Strengths

- Our “magic sauce” is our understanding of how to apply digital pet games to motivating the end-user given specific company and product needs.
- We have existing relationships with clients.
- Our first client is shareholder in company.
- Core technologies + careful market segmentation = extensive opportunities to leverage our assets

4.6.2. Weaknesses

- The reliance of outside capital necessary to grow the business.
- Many initial clients are also startups.
- Lack of direct competition may make investors nervous.
- Developing core technologies requires a larger initial investment of time and capital.

4.6.3. Opportunities

- Participation in rapidly growing industries where Nike and Google are already generating buzz.
- Lack of direct competition allows us to sandbag our position.
- Studies which show gamification is paving the way for the future of education and healthcare.
- Good environment for incubation, R&D funding and other grant money to support core technology development.
- Clients who come to us will benefit from product differentiation on the feature and performance levels, increasing the likelihood of success.

4.6.4. Threats

- Wearable technology’s growth potential may prove overhyped.
- The possibility of a rapid market jump to a new platform or tool for which the product has not been optimized.
- The possibility unrelated companies may flood the market with undesirable products which dampens enthusiasm towards the industry as a whole.
- Imitation of our core technology by lower cost studios.

4.7. Competition

4.7.1. How We Innovate

Wearable Technologies Limited takes a pre-existing category of products (digital pet games) and repurposing them for the wearable technology market. It innovates from a market standpoint by offering its technology B2B instead of developing directly for customers, and has mitigated risk by establishing a demand for the product and relationships with potential clients.

WTL innovates further by applying psychology research to improve upon existing products in development of its core technologies.

4.7.2. Brand or Industry Competition

There are no direct industry competitors positioning themselves as motivation-focused software companies catering to the wearable technology industry with digital pet games.

4.7.3. Form Competition

WTL encounters a certain amount of form competition from studios in India and China who take on outsourced projects for low fees. However, on this point, our company is able to differentiate itself most easily in terms of services, channel, and image. Our company is positioned as a higher cost but higher value partner, and not as contract labor.

4.7.4. Generic Competition

When looking to understand our company's generic competition, this market plan looks at game engines, game makers, and bundles of libraries and tools.

WTL competes most fiercely on a generic level of competition with the different tools and pathways our clients could take to provide software solutions for their customers. In this respect we stand out on a product level by offering features, adaptability, and experience, and on the service level through customer training and consultation, installation, maintenance, and repair.

Leveraging and diversifying its core technologies, WTL is able to outcompete in-house studios and contractors in the combined bundle of benefits we can offer to our clients. These benefits include speed, service, expertise, price, and quality.

4.7.5. Keys to Success

The keys to success are three in number.

- First, Wearable Technologies Limited must focus on a marketing concept marketing strategy, because we rely on understanding our industry and tailoring our offers to best meet the needs of our clients.
- Secondly, our company must pursue important relationships with the startup community, wearable technology companies, innovative healthcare and education companies, and investors who can see the value in our mission.
- Thirdly, our company must constantly reassess the industry and determine new areas for licensing and development if it is to remain relevant.

If these keys to success are achieved, Wearable Technologies Limited can become a profitable, sustainable company.

4.7.6. Critical Issues

Wearable Technologies Limited is still in the speculative stages as a start-up business. The critical issues are to:

- Establish a reputation for knowing our industry and meeting needs while being professional and reliable.
- Constantly monitoring the industry and which emerging technologies are getting the support and interest of our potential client base.
- Continue developing new core technologies while licensing and adapting existing core technologies, to ensure we remain relevant to the rapidly growing market (constant innovation, constant leveraging of assets).

5. Marketing Strategy

The key to Wearable Technology Limited's marketing strategy is the pursuit of tight relationships with its future clients, especially among wearable technology companies and complementary markets that will help sustain WTL's growth. WTL's success depends on understanding our clients and their innovations while uniquely tailoring our solutions to meet their needs and circumstances.

5.1. Mission

WTL knows that pets are the best way to motivate our clients' target users to improve their health. We enhance wearable technology by keeping users engaged, entertained, and returning each day for more.

5.2. Marketing Objectives

- Maintain a set of clients and interested parties to ensure we can keep a steady flow of new projects one after another without pausing the studio to wait for negotiations or consulting.
- Increase the number of client projects the studio can handle simultaneously.
- Increase industry awareness of company's services and capabilities.
- Remain apprised of which direction to develop next and how to grow the company's offerings portfolio of core game technology

5.3. Financial Objectives

- Break even midway through the second year of company activity.
- Maintain staff and budget for licensing and adapting for multiple clients simultaneously.
- Maintain a significant budget for R&D budget to push the core technologies further or creating new core technologies.
- A triple digit growth rate for the second and third years of development.

5.4. Target Markets

Primary

- Initially, startups and entrepreneurs interested in offering games as a component of a larger wearable technology package.
- Larger companies exploring wearable technologies, like Nike with its Fuelband.

Complementary

- Learning games companies; Gamification is a top trend of 2014 and the learning games industries shares similar needs with the wearable technology and healthcare industries.

- Larger media or entertainment companies interested in adding a game to their marketing mix for pushing a character or brand, or who need minigames or offshoot products for a larger offering.

5.5. Positioning

Wearable Technologies Limited will position itself as a highly capable and international company located that delivers a combined package of solutions with high value for its cost.

Wearable Technologies Limited helps companies who have larger visions achieve their goals. Our company focuses on good game design so that our clients can focus on their content.

5.6. Strategies

The marketing strategy for Wearable Technologies Limited leans towards marketing-oriented concept of marketing strategy mixed with support from a product concept of marketing. WTL will differentiate itself from its competition through service, emphasizing our ability to deliver comprehensive and highly tailored solutions which satisfy our client's needs.

WTL will achieve this by offering consulting as part of our solutions, employing tactics to streamline the software delivery process, and focusing on seamless updating and maintenance for our clients. Our specific tactics for sending out alerts and dealing with emergency scenarios will be crucial to our success.

Beneath that layer of service, our core technology must perform well at its job of motivating the end user.

Relationships with other companies are crucial to WETL's feature. Before its first success is under its belt, Wearable Technologies Limited aims to confirm its second client. As the company nears the break-even point, and the core games technology evolves, Wearable Technologies Limited will focus more strongly on trade shows and seeking out opportunities to provide games for larger companies with greater resources.

5.7. Marketing Mix

5.7.1. Pricing

Our pricing model for our solutions will be based on the needs of our clients. Our labor will be priced by international industry standards. In licensing our core technology, we will offer a variety of alternatives based on our client's situation, including a low up-front sum and high royalty rate or premium pricing model for startups.

5.7.2. Distribution

Our products will be delivered and maintained electronically. As the quality of our service is one of our primary prerogatives, it is important that we pay close attention to the mechanisms we use to update, release, and deliver revisions for our products and services. Delays could seriously harm our clients' businesses, and a poorly constructed or buggy delivery pipeline will result in unnecessary management work for us. We are responsible for streamlining this delivery process.

The technical and development capabilities of our clients will vary. Games studios will want to use social coding techniques to pull our updates and track our revisions. Clients for whom we are supplying more complete service packages will need us to handle those details and either push deliverables to the app stores ourselves, or provide them through easy-to-access web portals.

5.7.3. Advertising

Wearable Technologies Limited will seek to send networking professionals to venues throughout Hong Kong regularly while traveling to appear internationally in trade shows. Hong Kong's ODM potential in healthcare and electronics is more recognized in the Chinese mainland than in the USA, which can lead to errors in company positioning if we appear to be similar to low-cost outsourcing studios.

Wearable Technologies Limited will work to build the narrative of our brand through our relationships with our clients. We will rely on our initial clients to recommend us, display our brand, and permit us to showcase our work, so that we are able to position ourselves as a high-value go-to company for wearable technology.

5.7.4. Customer Service

Wearable Technologies Limited's exact services are to be negotiated per contract through discussions with our clients.

In addition to offering services like upgrades, integration, maintenance, advice, and possibly labor, Wearable Technologies Limited commits itself to a premium quality of customer service for all clients.

Our tactics for meeting this objective must encompass our entire company, from planning modular and easily extensible code to hiring handlers for tracking company's case files, to our process of delivering software to the client and our workflow for establishing their exact needs.

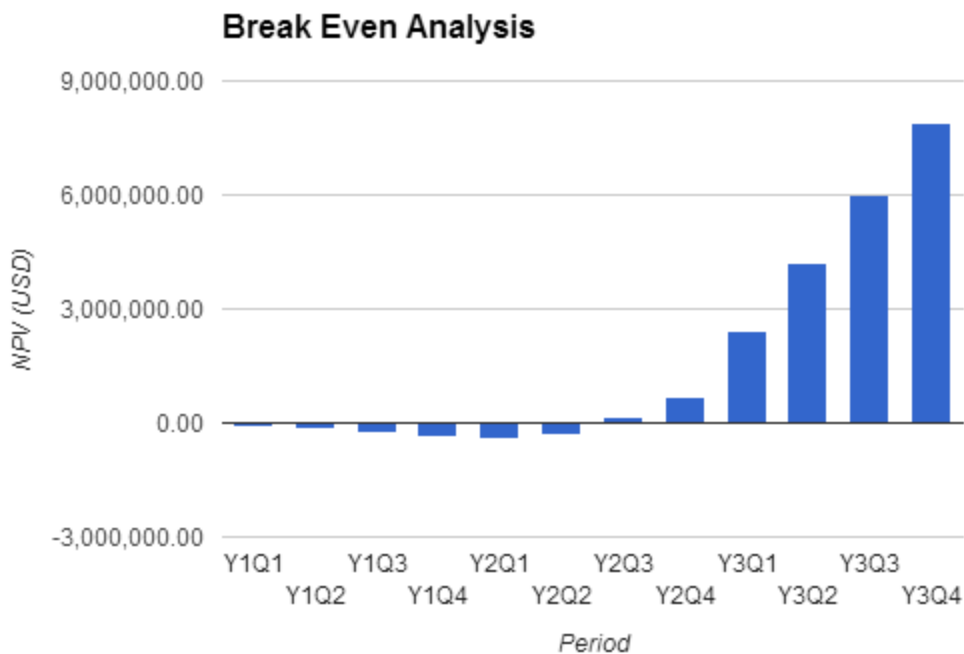
6. Financial Overview

6.1. Internal Rate of Return

Based on an investment of \$441,636.73 over the course of twelve months, WTL has calculated that it will break even by the third quarter of its second year. By 36 months, WTL will have a net present value of \$7,870,000 and an IRR of roughly 49%.

6.2. Break-Even Analysis

Our break-even analysis indicates that we will break even in quarter three of our second year, or approximately twenty-one months into our operation.



6.3. Cash Flow

WTL has calculated its revenues based on the business model of its confirmed client, Weartech Inc. For our software solutions and core technology, this business plan relies on a conservative estimate of our client's revenue, calculates our expected royalties, and extrapolates these numbers forward based

on the number of clients we expect to attract. The revenues for our personal products have been calculated based on sales equal to roughly 5% of our clients' target users as an estimate.

Cashflow	2014	2015	2016
Our Revenue	0.00	1,850,537.50	7,306,237.50
Investor Injection	440,000.00	0.00	0.00
Expenses	335,490.51	1,015,938.98	2,199,214.45
Profit	-335,490.51	834,598.52	5,107,023.05
Cash at end of year	104,509.49	939,108.01	6,046,131.06

6.4. Marketing Organization

The marketing organization for WTL has not yet been determined. Discussions must be held to determine if WTL can conduct its own marketing due to individualized relationships with clients and the knowledge that clients will be handling most marketing with the end user.

6.5. Controls

The purpose of this financial overview is to help serve as a guide for the organization's expenditures and investment needs. The following areas must be monitored to gauge performance and determine the relative cost to the company of proposed changes to the plan (such as adding personnel) or recalibrations based on future information:

- Cash Flows: Monthly, Quarterly, and Annually.
- Project milestones and impact on costs and revenue.
- Client and customer awareness of products and services.
- Client and customer satisfaction.

6.6. Contingency Planning

6.6.1. Difficulties and Risks

- Our initial clients are startups, and often limited in capital. Because of this we are negotiating to receive premiums and royalties on their revenues. We need to pay close attention to not only their limitations, but to ensuring we pick clients we know we can help. We need them to succeed or we will suffer high losses.
- The possibility that wearable technologies is only a fad.

- A larger company creates a highly successful software solution while we are developing core technologies that directly competes with ours, requiring alterations in our positioning.
- Determining there is not enough demand for high quality products in this market, requiring us to quickly adapt and/or lose high quality staff to mitigate our costs.

6.6.2. Worst Case Risks

- One of our primary clients with whom we have established a plan to receive premiums on their revenues decides to close down their business before we can reclaim our losses.
- Having to liquidate our intellectual property and equipment to cover liabilities.

6.7. Detailed Breakdown of Costs and Revenue

6.7.1. Static Costs

Setup Costs			
Item	Units	Cost (USD)	Subtotal (USD)
Software			
Unity iOS Liscence	1	1,500.00	1,500.00
Unity Android License	2	75.00	150.00
Unity Free Liscence	2	0.00	0.00
MonoDevelop	1	0.00	0.00
Team Licenses	0	500.00	0.00
CC Complete License, 1 year prepaid	1	600.00	600.00
Photoshop or Illustrator CC Single App License, 1 year	0	240.00	0.00
Flash CC Single App License, 1 year	0	240.00	0.00
Github, by month	12	0.00	0.00
Atlassian Bitbucket, up to 5	0	0.00	0.00
Atlassian Jira for 10	1	10.00	10.00

Atlassian Confluence for 10	1	10.00	10.00
Total Software costs			2,270.00
Space			
Rennovation	1300	12.90	16,774.19
Safety Deposit	2	2,180.65	4,361.29
(Rent)	12	2,180.65	26,167.74
Total			21,135.48
Equipment			
Computer (PC) Development	2	1,000.00	2,000.00
Computer (PC) Labor	1	500.00	500.00
Computer (Mac)	1	2,000.00	2,000.00
Apple Tablets	1	500.00	500.00
Apple Phones	1	200.00	200.00
Kindle Fire	0	200.00	0.00
Android Phones	1	175.00	175.00
Android Tablets	0	175.00	0.00
Wacom Tablet	1	600.00	600.00
Miscellaneous	1	347.50	347.50
Total			6,322.50
Furniture			
Chairs	4	80.00	320.00
Desks	4	40.00	160.00
Shelves	1	60.00	60.00
Lighting	4	12.00	48.00
Couch	1	80.00	80.00
Whiteboard	1	40.00	40.00
Trash cans	2	10.00	20.00
Miscellaneous	1	72.80	72.80

Total			800.80
Total startup costs			30,528.78
Later Costs			
Additional Computer (PC)	1	1,000.00	1,000.00
Computer (PC) Labor	1	500.00	500.00
Computer (PC) Labor	1	500.00	500.00
CC Complete License, 1 year prepaid	1	600.00	600.00
CC Complete License, 1 year prepaid	1	600.00	600.00
Later Costs Year 2			2100
Later Costs Year 3			1100

6.7.2. Variable Costs

Variable Costs			
Item	Units	Cost (USD)	Subtotal (USD)
Rent Options			
Normal Rent	12	2,180.65	26,167.74
Utilities	2.40	436.13	5,233.55
Rent Year 3	12	2,935.48	35,225.81
Utilities Year 3	2.40	587.10	7,045.16

Cocoon Membership per month	4	258.06	1,032.26
Cocoon Membership per year	12	1,032.26	12,387.10
BootHK Hotseats per month	3	129.03	387.10
BootHK desk per month	1	322.58	322.58
BootHK per year	12	709.68	8,516.13
Hong Kong Commons Rent	12	774.19	9,290.32
Legal Expenses			
Year 1	4	3,225.81	12,903.23
Year 2			25,806.45
Year 3			51,612.90
Salaries			
<i>FIRST YEAR</i>			
<i>Seed Phase</i>			
CEO	1	3,000.00	3,000.00
COO	1	1,935.48	1,935.48
CTO	0	2,838.71	0.00
CDO	0	1,935.48	0.00
CFO	1	400.00	400.00
<i>Hong Kong Rates</i>			
CEO	6	3350	40,200.00
COO	6	1,935.48	11,612.90
CTO	6	2,838.71	17,032.26
CDO	6	1,935.48	11,612.90
CFO	6	400.00	2,400.00

<i>International Rates</i>			
CEO	5	8,350.00	41,750.00
COO	5	5,800.00	29,000.00
CTO	5	5,850.00	29,250.00
CDO	5	5,000.00	25,000.00
CFO	5	400.00	2,000.00
Total Salaries (First Year)			215,193.55
<i>SECOND YEAR</i>			
<i>Core Officers</i>			
CEO	12	8,350.00	100,200.00
COO	12	5,800.00	69,600.00
CTO	12	5,850.00	70,200.00
CDO	12	5,000.00	60,000.00
CFO	12	800.00	9,600.00
Subtotal			309,600.00
<i>New Officers</i>			
Creative Lead	12	4300	51,600.00
<i>Labor</i>			
Handler	12	2,322.58	27,870.97
Second year total salaries			389,070.97
<i>THIRD YEAR</i>			
<i>Core Officers</i>			
CEO	12	8,350.00	100,200.00
COO	12	5,800.00	69,600.00
CTO	12	5,850.00	70,200.00
CDO	12	5,000.00	60,000.00
CFO	12	2,900.00	34,800.00

CCO	12	4,300.00	51,600.00
Subtotal			386,400.00
<i>Labor</i>			
Handler	12	2,322.58	27,870.97
Total Handlers	2	27,870.97	55,741.94
Third Year Total Salaries			442,141.94
Outsourcing			
Year 1			
Programming	1	30,000.00	30,000.00
Total			30,000.00
Year 2			
Programming	2	30,000.00	60,000.00
Art	1	20,000.00	20,000.00
Animation	1	20,000.00	20,000.00
Sound	1	7,500.00	7,500.00
Graphic Design	1	20,000.00	20,000.00
Total			127,500.00
Year 3			
Programming	3	30,000.00	90,000.00
Art	2	20,000.00	20,000.00
Animation	2	20,000.00	20,000.00
Sound	2	7,500.00	7,500.00
Graphic Design	1	20,000.00	20,000.00
Total			157,500.00

Physical Product			
Personal Product 1, Year 2	11250	10.00	112,500.00
Marketing year 2	3	8,000.00	24,000.00
Total for Year 2			136,500.00
Personal Product 1, Year 3	30000	10.00	300,000.00
Marketing year 3	6	8,000.00	48,000.00
R&D Project, Year 3			10,000.00
Total for Year 3			358,000.00
Miscellaneous/L ogistics			
Business Trips			6,500.00
Trade Show Budget	2	2,925.00	5,850.00
Additional Logistics			1,235.00
First Year Budget			13,585.00
Second Year Estimated Budget			20,377.50
Third Year Estimated Budget			27,170.00
Taxes & Depreciation			
Taxes			
Year 1	0	0.16	0.00
Year2	2327387.5	0.16	372,382.00
Year3	8836131.25	0.16	1,413,781.00

Depreciation			1,878.66
<i>Depreciation sans Furniture</i>			1,718.50
Year 2			2,298.66
Year3			2,518.66
Total Variable Costs			
Year 1			304,961.72
Year 2			1,090,134.98
Year 3			2,442,897.45

6.7.3. Expected Revenue

	2014	2015	2016
Products			
Licensable Product Projects	1	1	1
Personal Product Projects	0	2	4
R&D Project	0	0	1
Licenses Completed for Product 1	1	2	4
Michael's anticipated users	93,500	187,000	374,000
Year 1 Secured			
<i>From Michael</i>	0	280,500	187,000

Year 2 Secured			
<i>From Macrotellect</i>	0	15,583	46,750
From US Client 3	0	31,167	187,000
Year 3 Secured			
Client 4 - US	0	0	70,125
Client 5 - US	0	0	23,375
Client 6 - non US	0	0	15,583
Client 7 - non US	0	0	7,792
Total Users	0	327,250	537,625
<i>Michael's company</i>			
Guessed Pricepoint for full product per month	17	17	17
Total Guessed Revenue	1,589,500.00	4,768,500.00	6,358,000.00
Desired Royalties	0.00	0.20	0.20
Total Cut	0.00	953,700.00	1,271,600.00
Lump Sum	0	100,000.00	0.00
Services	0	50,000.00	100,000.00
Totals	0	1,103,700.00	1,371,600.00
<i>Not Michael's Company</i>			
Total Guessed Revenue	0	794,750.00	5,960,625.00
Desired Royalties	0.25	0.25	0.25
Total Cut	0	198,687.50	1,490,156.25
Lump Sum	0	200,000.00	400,000.00
Services	0	100,000.00	200,000.00
Contract Labor	0	50,000.00	200,000.00
Totals	0	548,687.50	2,290,156.25

Licenses of Product 2		1.00	2.00
Year 3 Secured			
Michael			374,000
Client 2 - China			31,166.67
Client 3 - US			62,333.33
<i>Guessed</i>			
Guessed Pricepoint for full product per month	0	0	17
Total Guessed Revenue	0.00	0.00	7,947,500.00
Desired Royalties	0.00	0.00	0.25
Total Cut	0.00	0.00	1,986,875.00
Lump Sum	0	0.00	300,000.00
Services	0	0.00	150,000.00
Totals	0	0.00	2,436,875.00
Personal Product Sales #1			
Purchases	0	11,250.00	30,000.00
Pricepoint		60.00	60.00
Revenue		675,000.00	1,800,000.00
Personal Project Sales in Year 3		0	15,000.00
Pricepoint		0	25
Per project		0	375,000.00
Total for 4 projects		0	937,500.00

Total Revenue Projection	0.00	2,327,387.50	8,836,131.25

