

Business Summary

*This document summarises information provided by
ACME*

*It describes key features of the business and outlines
management targets for the future*

*The information contained in the document has not been
corroborated by iniPax*

*Potential investors should seek independent professional
advice before committing to any investment in this business.*

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Investment Benefits	What's the Deal?	Why is it so special?
<p>Acme Widget Pty Ltd (ACME) is seeking to establish itself as a key supplier at the premium end of the global widget market.</p> <p>The company's strategy is in two parts: a first round will finalise strategic planning for US market entry - and will launch the venture. The second round will fund an intensive global market development venture, with a focus on Europe and China.</p> <p>This document presents the first round in the context of the broader objective.</p>		
Capital Requirements	How much?	Debt or Equity?
<p>Capital required, Round 1: AU\$ 1 million,</p>		
Application of Funds	Working Capital?	Capital Investment?
<p>The venture is based on the skills and experience of long-time members of the widget industry. The team combines experience in the widget industry and manufacturing practice. It has participated directly and at a high level with government initiatives designed to establish the Australian widget industry in the US market.</p>		
The Business	Description?	Products / Services?
<p>ACME plans to export widgets manufactured from Australian mineral resources to the premium end of the international component market.</p> <p>Principals of the business have been active in the widget industry for many years. In particular, they bring a sophisticated understanding and direct experience of marketing and international trade.</p> <p>The ACME concept is to capture the premium end of the US widget market through direct contracts with US assemblers. Through that exposure, ACME will be in a position to specify componentry known to be in demand and then contract for its manufacture from its own suppliers. The strength of its Australian network will be a key actor in the company's competitive advantage.</p> <p>A recent long term supply contract between ACME and the Australian branch of a major international manufacturer guarantees 10 years worth of forward orders. This contract is the only one of its kind in the industry. The company believes that this creates the competitive advantage it needs: a unique, substantial production contract - at a time when forward orders are becoming increasingly scarce.</p>		
The Market	Customers / Competitors?	Size of market?
<p>The US is to be the first target of ACME's global marketing strategy. It is a market that amounts to US\$100 million each year - with 30% sourced from overseas.</p> <p>In the past, much of that market has been served by US subsidiaries, although there is solid evidence of a move towards specialist outside suppliers.</p> <p>The strategy devised by ACME and its marketing advisers is to become one of those specialist suppliers, with licensees in selected locations across the US.</p> <p>The key to success in this market is to focus on the quality of Australian manufacture as a point of difference, and for suppliers to be responsive to demands identified by ACME.</p> <p>The ACME business model is designed to capture this opportunity.</p>		

Business Strategies	Plans / Milestones?	Innovation?
<p>The company's strategy is to develop the business in three stages: Stage 1: Completion of market definition, implementation planning and initial roll-out; Stage 2: Intensive US market entry program , brand-building and establishing a supply presence; Stage 3: Develop and implement a global market presence. The focus of this initial capital-raising is on this first stage, although the second stage is likely to commence as the first establishes the foundation it needs. ACME is currently confirming supply and marketing arrangements designed specifically for this operation. The company has identified US advisers who can provide specialist marketing advice and local contacts.</p>		
Management Capability	Past achievements?	Retention arrangements?
<p>John Brown, Executive Chairman and CEO of the company, has accumulated 35 years of experience in export trade and has chaired the widget industry association for the past three years. Alan Green is the Administration director of the company and is a shareholder of the company. Over a career spanning more than 27 years, he has demonstrated particular expertise in financial management and strategic planning. Ron Carson was previously the Market Development Manager of the Widget Promotion Board. He has played a major role in a variety of offshore market entry initiatives.</p>		
Risk Management	Risks identified?	Investor reassurance?
<p>The primary risks are production risk, market entry risk and the sustainability of the company's competitive advantage. Production risk has been overcome by the recently-awarded domestic supply contract. During their years in the widget industry, the principals of ACME have established commercial arrangements with manufacturers throughout Australia. The principals of ACME have participated directly in a US marketing program supported by the Australian government. Much of the ACME strategy has been shaped by lessons learned from that venture. ACME's key competitive advantage is its long term domestic production contract and its relationships within the widget industry. Its principals have also developed hands-on experience of the US widget market. ACME also recognizes its vulnerability to economic conditions, the regulatory environment and the need to retain its key personnel. These conditions will be monitored and managed.</p>		
Blue Sky ... !	What's possible?	
<p>The first round of the company's expansion is focused specifically on strategy which has been several years in active development. Indications are that the concept fits the US market opportunity. The next phase will provide an opportunity for investors to participate in and profit from a major international venture.</p>		