



# Dial-It Service

## BUSINESS PLAN

### CALLMASTER, INC.

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1003 Marina Way  
Long Beach, CA 90803

January 22, 1996

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*In the competitive pay-per call industry, Callmaster, Inc. succeeds by creating new and unique programs, and by utilizing the latest high-tech telecommunication and computer equipment. Callmaster, Inc. seeks to maintain their position as an industry leader by securing additional capital for growth and development. This plan details the company's vision for the future, including new program offerings and financial projections.*

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## COMPANY PRINCIPALS

Callmaster, Inc.'s two directors, Leslie New and Scott Smith are both at the top of their respective areas of expertise. Both individuals are veterans of the audio text industry with many years of experience collectively. After having worked together successfully for years, a partnership was formed. This dynamic combination, coupled with their expertise and professional contacts has positioned Callmaster, Inc. as a much sought after commodity. This is indeed the "Dream Team" of the Pay-Per-Call Industry.

Leslie New, an aggressive, goal-oriented individual, heads the west coast operation in Long Beach, California. This is where she applies her specialties in sales, multi-media marketing and customer relations. A successful audio text business owner for over four years, she is considered by many to be a guru in the marketing of audio text. Leslie's background is in advertising, film broadcasting and marketing. After attending college, she worked in radio broadcasting.

Scott Smith supervises the east coast offices in Miami, Florida. He has been a successful audio text business owner for over 11 years and is considered one of the pioneers of this industry. Scott's background is in broadcasting and direct marketing. Scott works with many broadcasters, and also handles the technological aspects of audio text. Most of Callmaster's pay-per-calls are serviced within the Miami communications facility.

In today's competitive industry, to run a successful service bureau, it takes both technical and marketing experience. To start your own bureau, you would of course need equipment. You would have to determine what programs on the market you wish to either run yourself or market to other businesses or individuals. Equipment such as computers, T1's, PBX's, etc. are very expensive. Normally, starting in this industry, one would start small. However, given today's market a small bureau will not have the opportunity to establish key relationships with phone companies, or



accrue the amount of minutes necessary to offer competitive payouts and competitive programs. Many smaller companies, resellers and small bureaus, have gone out of business, due to the stiff competition. The pay-per-call business is, not very accepting of new bureaus.

The combined costs for equipment, facilities and staff to create a service bureau, utilizing 900, 800, and international numbers, are approximately \$300,000 - \$400,000. Marketing will increase these costs depending on which programs the starting bureau would like to offer. For instance, a bureau may decide to invest a small amount into equipment and only offer short custom programs with the audio recorded off location. This is fine, however, industry trends show the demand for custom programs is a small niche market with very little to be made on the back end minutes. To succeed in such a closed, competitive industry, the bureau must offer competitive, profitable and technically elaborate programs. One technical glitch and clients will go on to another service provider.

This is a highly technical field and because the industry is very new, the technicians can be difficult to find. We, at Callmaster, Inc. have assembled an expert panel of technicians who have been with us for quite some time. Scott continues to be a leader in this area. His vast technical expertise is unparalleled. Callmaster, Inc. is the only registered retail service bureau in the industry that has the ability to offer 800, 900 and 011 international numbers. Callmaster, Inc.'s product list is included at the end of this plan. As you will see, Callmaster's offerings are unparalleled.

## NEW PROGRAMS

### Dream Sense

Dream Sense was launched January 25, 1996. This program will initially be offered and sold as a pay-per-call line. Once the purchases and set-up of the program is complete, advertising must be implemented. Callers responding to the ads will be able to call a fully staffed phone room of trained dream interpreters. The caller will be charged for this information on a per minute basis. These calls will be handled from the Miami facility of Callmaster, Inc.

Callmaster, Inc. will be the only service bureau in the country to offer this turn-key line. Dream Sense addresses virtually the same target market as the psychic lines. The proven success of the psychic program in such publications as Metro magazine paves the way for the marketing of the Dream Sense line. The main advantage of this new program is that there is absolutely no competition. The production of radio and television advertising, including an infomercial, will certainly help propel this new information source to the top of the pay-per-call field.

### Interactive Video Conferencing

The rapid growth of technology in the computer industry, coupled with the on-line services of the Internet, has made a new pay-per-call program possible. Until now, to have a visual conversation with an individual, you had to be physically face to face. Today, we can have a similar visual conversation over our personal computers.

Interactive Video Conferencing, for the adult entertainment market, as introduced by Callmaster, Inc. will enable an individual or group to access a software program, provided to them either on the Internet or through the purchase of a 3.5 inch floppy disk. Once the access is made, the computer user (caller) will now be able to interact with an individual(s) on-line. The main difference between IVC and current on-line communication, is that when the caller is communicating with the individual (recipient of the call) with keyboard strokes, they will also view that individual in full color on their personal computer. The recipient of the call, however, cannot see the caller.

An additional option that will be offered is the ability to use a telephone line (other than that used by the computer's modem) to call and communicate with the individual they are viewing on their computer screen. The participants now have audio and visual interaction without having to type in dialogue on the keyboard.

**Источник бизнес-плана:** <http://www.referenceforbusiness.com>



We have contracted to use, Hollywood star, Sonya Daniels. This program will be marketed as "Sonya's Dreams." The program will also be offered and sold as a pay-per-call line in a similar manner to our other successful pay-per-call lines. Advertising for this service over the Internet can also be a dynamic source of revenue in addition to traditional methods of exposure.

## Sports: Nothing But Sports

One of the great loves in this world is sports and the competition surrounding sports. Let's face it, every news program must have a sports segment, and almost every newspaper a sports section in order to meet the demand for sports information. Previous programs in the pay-per-call industry have limited themselves to recorded sports information such as scores, lines, over and unders, betting picks or handicap horse racing tips.

Sport talk shows on radio and television have also been very successful. The main drawback to most of these shows is that most callers who wait on hold never get on the air. In addition, callers end up debating the biased opinion of the talk show host(s).

Callmaster, Inc.'s Nothing But Sports will allow callers from all over the country to talk with each other and discuss their personal reviews, opinions and predictions. For example, a Pittsburgh Steeler fan might have some comments for a Dallas Cowboy fan regarding the Super Bowl before, during and after the game. This type of interaction exists all throughout the year in a wide variety of sports and related topics.

This program is being considered for exclusive ownership by Callmaster, Inc. for its investors profit center.

In February, Callmaster, Inc. will be the first to launch both Sonya Daniel's video teleconferencing and the Dream Sense line. Callmaster's most recent program, offering the first three minutes free or a free reading in conjunction with The Halley Psychic Network, has done well in many markets. We are confident of it's continued success in 1996.

Through the years, both Scott Smith and Leslie New have together accumulated many key industry relationships, as well as many clients. As of January, 1996, Callmaster, Inc. has over 1000 lines on the market and over 260 clients. Many service bureaus who have been in the industry five years can not boast these incredible statistics. Here is what these numbers mean:

*With 280 clients:*

Up front fees paid  
\$2500 each (approx.) = \$700,000 monthly gross revenue

Monthly fees paid  
\$75/month = \$21,000/month

Approximate minutes  
 $40,000 \times .30/\text{minute}$  (service bureau)  
(\$12,000)/month

## PROJECTIONS

Callmaster's costs are minimal. We have kept our overhead low. With our diligence, expertise and hard work we expect our new 1996 products to bring us in excess of two million dollars in revenue. We plan to increase our marketing campaign by finishing our infomercial. In 1995, we filmed an infomercial that has remained unedited. We are now ready to finish production.

We are currently expanding into other countries. We will have an additional office open by March 1, 1996. We have expansion plans for other viable countries on, or before, November of 1996. We plan to take our new



products; video teleconferencing, dream interpretation and sports lines to an all time high in terms of profits. We feel that with all of our existing products, and with our new ventures, our minutes per month have the potential to grow from 40,000 to over 4,000,000. We have some very wealthy investors interested in our psychic product as well as our three new products. Through all of our growth Callmaster, Inc. intends to keep its reputation for always being on the cutting edge.

## 1996 - 1998 Projections

### Number of clients set up fees Gross profit

1200 clients \$2900 = \$3,480,000

1200 \$75/per month = \$90,000

### Number of minutes per month

900,000 × .40/min. = \$360,000

\$3,930,000/month

We plan on doubling our client base from 300 clients to 600 clients without P.P. Call Enterprises money. With P.P. Call Enterprises money, we expect our client base to grow to 1,200 clients over the next three years. We, of course, would expect our customer service department to expand with our client growth. Our equipment expansion costs would run approximately \$10,000 - \$20,000 per month and our customer service payroll would increase by approximately \$15,000 per month.

Using P.P. Call Enterprises monies to increase our marketing campaign, the following would be the three year estimated projection:

#### 3 Office Location Totals

Cost/Month (approx.)	Profit/Month
Payroll- \$150,000/mo.	Set-up fees- \$3,480,000/mo.
T1 access - \$20,000/mo.	Monthly fees -
Misc. expenses:	1500 clients x 75/Mo. - \$112,500
Mail, rent, \$70,000/mo.	minutes/mo.
phones, etc.	900,000 x .40 = 360,000/mo (min/mo.)
\$290,000/cost/mo.	\$3,953,500/gross profit/mo.
<b>Net Profit/Month</b>	<b>\$3,732,500</b>

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## COMPANY ORGANIZATION

The company's internal functions are divided between the California and Florida locations. In California, initial customer contact and sales activity is conducted. Once the sale has closed, it is serviced by the Florida staff, which performs all service and back office functions. All call accounting is completed in Florida. Accounting services are augmented by a staff of seven programmers, who have automated most of the back office functions of the company. The Florida staff is also responsible for interfacing with clients and providing clients with technical assistance.



## COMPANY OVERVIEW

### Legal Business Description

The legal name of the company is Callmaster, Inc.

### Legal Form of Business

The company is currently incorporated in the State of Florida. Within the near-term, it will be re-domiciled within the State of California and converted from an S-Corporation to C-Corporation.

### Shareholders/Directors

Current shareholders are Leslie New and Scott Smith, equally. Both New and Smith are directors. There are no other shareholders or directors

## PRODUCT LIST AND PAYOUT DESCRIPTION

	Charge to Caller Guaranteed	Payout to Client*
<b>Adult Menu (900/800)</b>		
<b>Live One on One</b>	\$3.99min	\$1.25min
Caller engages in a two-way conversation with a live operator/telephone actress.		
<b>Live Two on One</b>	\$4.99 min	\$1.40 min
Caller engages in a two-way conversation with 2 live operators/telephone actresses.		
<b>Live Party Line</b>	\$2.99 min	\$1.00 min
Engages in a group conversation with up to 8 callers, monitored by a live operator who directs the conversation.		
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Caller engages in a two-way conversation with 2 live operators/telephone actresses.		
<b>Live Party Line</b>	\$2.99 min	\$1.00 min
Engages in a group conversation with up to 8 callers, monitored by a live operator who directs the conversation.		
<b>Dateline/Voice Personals</b>	\$2.99min	\$1.30min
Fully automated dating system. Callers can place, browse or respond to recorded personal ads with intentions of connecting with other singles.		
<b>Adult Fantasy Line</b>	\$2.50min	\$1.00min
Caller listens to a fully recorded fantasy message narrated by a sexy female voice.		
<b>Live Psychic (900/800)</b>	\$3.99min	\$1.25min
Caller talks with an individual psychic in a question/answer method or in a free-flowing conversation. Services include tarot card readings, numerology, clairvoyance and birth (natal) chart readings.		
<b>Dateline/Voice Personals</b>	\$2.99 min	\$1.30 min
Fully automated dating system. Callers can place, browse or respond to recorded personal ads with intentions of connecting with other singles.		
<b>Adult Fantasy Line</b>	\$2.50 min	\$1.00 min
Caller listens to a fully recorded fantasy message narrated by a sexy female voice.		
<b>Live Psychic (900/800)</b>	\$3.99 min	\$1.25 min



Caller talks with an individual psychic in a question/answer method or in a free-flowing conversation. Services include tarot card readings, numerology, clairvoyance and birth (natal) chart readings.

#### 900/800 Adult-Gay Line

Live 1 on 1	\$3.99min	\$1.25min
Dateline	\$2.99min	\$1.30min
Group Party Line	\$2.50min	\$1.00min
Fantasy Line	\$2.50min	\$1.00min
900 Sports Line:	\$2.99min	\$1.25min

Caller receives the Hottest Tips & Scores for sporting events from experts.

#### **900/800 Adult-Gay Line**

<b>Live 1 on 1</b>	<b>\$3.99 min</b>	<b>\$1.25 min</b>
<b>Dateline</b>	<b>\$2.99 min</b>	<b>\$1.30 min</b>
<b>Group Party Line</b>	<b>\$2.50 min</b>	<b>\$1.00 min</b>
<b>Fantasy Line</b>	<b>\$2.50 min</b>	<b>\$1.00 min</b>
<b>900 Sports Line:</b>	<b>\$2.99 min</b>	<b>\$1.25 min</b>

Caller receives the Hottest Tips & Scores for sporting events from experts.

#### International Lines\* (long distance charges apply)

011 - (Unrestricted) - 809, Canadian Lines, plus our new Exclusive 011 International Psychic Number's Long Distance as high as \$ 1.30 min

<b>305 Collect Call Back</b>	<b>\$3.99 min</b>	<b>\$1.12 min</b>
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Fully automated system allowing callers with call blocking and/or no credit card for billing to receive a collect call back.

<b>500 Numbers</b>	<b>\$3.99 min</b>	<b>\$1.00 min</b>
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Similar to 900 #'s with no call blocking.

#### Custom Lines/Re-directs

You may use your own ideas to design your custom programs. There are no guaranteed payouts on custom lines.

\* All guaranteed payouts are less 7% for guarantee fee

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