**SanaSana  
Executive Summary**

**Management Team**

**M. Elizabeth Barton, Customer Experience**  
Ms. Barton brings accomplishments from such companies as Booz Allen & Hamilton and The Procter & Gamble Co., with expertise in consulting, finance, marketing and technology. In addition, she recently designed and oversaw implementation of the corporate intranet of a nationwide grocery wholesaler. Ms. Barton earned with High Honors a BA in International Studies and BS in Business Administration from the University of Missouri. She anticipates getting her MBA with Distinction in April 2000 from the University of Michigan.

**Carlos R. De Jesus, Marketing**  
Mr. De Jesus boasts a history of achievement in marketing, operations and management, as shown by awards, sales growth and rapid advancement at Frito Lay, Co. prior to his return to school. In addition, he recently led the development and execution at The Procter & Gamble Co. of an e-commerce program. Mr. De Jesus earned a BS in Business Administration from Florida State University. He anticipates getting his MBA with High Distinction in April 2000 from the University of Michigan.

**Adam W. Farkas, MD, Technology**  
From founding his own dial-up internet service to leading the American Medical Student Association Task Force on Computers in Medicine, Dr. Farkas brings both depth and breadth of technology-related experience to his role. Most recently he formulated on behalf of Cerner Corporation a strategic plan for a line of internet-based consumer healthcare software products. Dr. Farkas earned a BS in Psychobiology (summa cum laude) from SUNY Binghamton and an MD from the University of Michigan. He anticipates getting his MBA with Distinction in April 2000 from the University of Michigan.

**Ricardo Fernandez, Business Development**  
Mr. Fernandez has won numerous awards and received regular advancement throughout his career. While managing financial analysis and reporting for the E-commerce Department at Citibank Universal Card Services, he coordinated the development of business cases for internet-related investments. In addition, he recentiy helped KeyBank U.S.A realize $2 million in annual savings through improved processes in their loan operations. Mr. Fernandez earned from the University of Florida a BS in Finance and Economics with Highest Honors. He anticipates getting his MBA with High Distinction in April 2000 from the University of Michigan.

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| BUSINESS DESCRIPTION |

SanaSana comprises a B2B2C solution that provides an efficient, mutually beneficial partnership between Hispanic consumers of health care and the businesses-payers, providers and suppliers of health services and non-health related companies alike-which would like to serve them. Once established in the U.S., SanaSana will expand abroad, where native Spanish-speakers desire access to medical knowledge. Our concept stems from our founders' realization of **five** marketplace trends:

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| * The Hispanic segment is currently growing faster than and their health needs differ from those of other ethnicities. * Hispanics are becoming more technologically savvy and want more Hispanic-specific. information. * Internet-based information in general, and health care in particular, lacks quality control. * Internet-based health information, while abundant, lacks currency, personalization and impact. * Many companies are trying to understand and reach the Hispanic population. |

**Consumer Benefits.** Consumers gain a convenient way to become informed users of health services while protecting their confidentiality through at least four features:

* Off- and On-line Community, which features personalized email responders, support groups, chat rooms and partnerships with community groups-such as those in churches, hospitals and libraries.
* HealthCapsulesTM which provide customizable updates via our proprietary email newsletters.
* Referrals, which report consumer recommendations on health care products and services.
* Privacy Protection, which we consider the cornerstone of a viable relationship among our partners.

**Business Partner Benefits.** By working with SanaSana, business partners benefit from increased access to a growing population that will come to regard SanaSana as its most trusted source of health related information. Other specific services include:

* Online market research, which improves our partners' understanding of Hispanics' preferences.
* New product management tools, which facilitate our partners' launches of new products.
* Office and practice management applications, to allow outsourcing of non-medical related tasks to fellow alliance partners to enhance revenue and reduce costs.
* Web hosting services, which offer hosting of web pages with online scheduling for physician partners.

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| BARRIERS TO ENTRY |

SanaSana creates barriers to entry that stem from two sources: its content and community.

* Content. There exists little health information translated for Hispanics and written for nonphysicians. Thus, SanaSana's library of understandable, Spanish language health information and novel, proprietary HealthCapsulesTM represent a barrier to entry and a source of revenue.
* Community. To ensure success, SanaSana will create a vibrant community between medical institutions, prominent Hispanic doctors, technology and Hispanic consumers. Because of first-mover advantage and our contacts within medical institutions and in industry, we are well positioned to create this barrier.

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| MANAGEMENT TEAM |

The management team consists of friends who share one another's dreams and passions to drive SanaSana forward. For instance, Carlos De Jesus, Ricardo Fernandez, and Brian Khoury are Hispanic and see SanaSana as a way to give back to their community. Adam Farkas and Hyung Kim are physicians and see SanaSana as a way to extend their impact with an under-served, important population. Combined, the founders have over 50 years of direct experience in general management, e-commerce, finance, marketing, medicine, and operations. Each also stands poised to earn an MBA with Distinction from the University of Michigan Business School. In addition, the strength of the team gains fortifications from its working well together and commitment to bringing SanaSana to fruition.

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| FINANCIAL PROJECTIONS |

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| --- | --- | --- | --- | --- | --- | --- |
| **OPERATING EARNINGS** | | | | | | |
| **(In thousands)** | **Startup** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| Revenues | | | | | | |
| Sponsorships | $0 | $1,440 | $3,840 | $7,560 | $13,920 | $23,400 |
| Product Development Services | $0 | $3,663 | $5,598 | $8,192 | $12,267 | $17,808 |
| Research Studies & Commerce | $0 | $1,265 | $2,619 | $4,455 | $7,201 | $12,237 |
| Advertising | $0 | $832 | $1,927 | $3,101 | $5,011 | $8,125 |
| Total | $0 | $7,200 | $13,984 | $23,307 | $38,399 | $61,569 |
| Expenses | | | | | | |
| Content Development | $406 | $372 | $1,224 | $2,322 | $3,526 | $5,044 |
| Operations | $231 | $1,203 | $1,444 | $1,788 | $2,177 | $2,716 |
| Marketing | $220 | $12,110 | $10,129 | $14,018 | $18,777 | $25,129 |
| G&A | $1,065 | $2,359 | $2,716 | $3,078 | $3,496 | $3,977 |
| Total | $1,922 | $16,044 | $15,514 | $21,206 | $27,976 | $36,866 |
| EBT | ($1,922) | ($8,844) | ($1,529) | $2,101 | $10,423 | $24,703 |
| INFLATED EBT (3% per year) | ($1,922) | ($9,110) | ($1,622) | $2,296 | $11,731 | $28,637 |
| Taxes (Assumes 35% tax rate) | ($673) | ($3,188) | ($568) | $804 | $4,106 | $10,023 |
| NET EARNINGS | $1,249 | $5,921 | $1,055 | $1,493 | $7,625 | $18,614 |

**In order to launch SanaSana, we are seeking a first round investment of $2 Million, which will allow SanaSana to continue through the first 4 months of operations.**

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| BUSINESS RISKS |

SanaSana faces certain risks inherent to e-business in general and Health care in particular.

**Financial Risks.** Our quarterly revenues and operating results are difficult to predict and may fluctuate significantly from quarter to quarter as a result of a variety of factors. Among these factors are:

* Changes in our own or competitors' pricing policies
* Fluctuations in expected revenues from advertisers, sponsors and strategic relationships
* Timing of costs related to acquisitions or payments.

**Legislative / Legal Landscape.** Our participation in the health care arena presents unique risks:

* Malpractice and other related liability
* Federal and State regulations on privacy, insurance and the practice of medicine
* Storage, transmission and disclosure of medical information and healthcare records

**Operational Risks.** To attract and retain users to the SanaSana community, we must continue to provide unique and informative content. This confers certain risks including the failure to:

* Anticipate and respond to consumer preferences for content, partnerships and service
* Attract, excite and retain a large audience of users to the SanaSana community
* Create and maintain successful strategic alliances with high quality partners
* Deliver high quality, "24/7" customer service and web site performance
* Build the SanaSana brand rapidly and substantially
* Compete effectively against better-established Internet health companies, such as DrKoop or webMD

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| POTENTIAL EXIT SCENARIOS |

Two potential exit strategies exist for the investor:

* Initial Public Offering. We seek to go public within 3 years of operations. The funds used will both help create liquidity for investors as well as allow for additional capital to develop our international strategy.
* Acquisition Merger with Private or Public Company. Several web-sites are targeting our consumers; however, they lack the components of our site. Value has been created through novel content creation as well as partnering with groups such as The National Hispanic Medical Assn. The content and the eyeballs bring value to the Hispanic Portals such as StarMedia as well as developing iMedia aspects of television networks such as Univision and TeleMundo.

[**0. Executive Summary**](http://www.businessplans.org/sana/sana00.html)  
[**1. Business Description**](http://www.businessplans.org/sana/sana01.html)  
[**2. Market Analysis**](http://www.businessplans.org/sana/sana02.html)  
[**3. Management Team**](http://www.businessplans.org/sana/sana03.html)  
[**4. Operating Strategies**](http://www.businessplans.org/sana/sana04.html)  
[**5. Financial Projections**](http://www.businessplans.org/sana/sana05.html)  
[**6. Business Risks**](http://www.businessplans.org/sana/sana06.html)

**BUSINESS DESCRIPTION**

#### Figure 1. SanaSana Vision Statement

We envision developing our consumers into informed, proactive users of health services. They will be empowered by current, customized information, products and services that our industry partners present. In turn, our industry partners will have opportunities to reach critical new markets through novel business relationships that reduce associated costs and increase potential revenues. By providing an interactive forum linking consumers and organizations, we promote the development of a highly improved health care system.

#### 1.1 Marketplace Needs

SanaSana enables Hispanics to improve their health through both on- and off-line vehicles. We leverage five marketplace trends to fulfill both businesses' and consumers' unmet needs.

* The Hispanic segment is growing faster than any other in the U.S.1, and their health indices differ from others' (See Appendix A). For instance, Hispanics suffer more emphysema, hepatitis, hypertension, infant mortality, and teen pregnancy.2 As a whole, Hispanics desire more health information, products and services from payers, providers and suppliers of health information, products and services, but lack the access.
* Hispanics are becoming more technologically savvy, and the need for Hispanic-specific information is expanding. This need includes both the use of Spanish and English languages and the incorporation of specific customs and cultures.
* Internet-based information lacks quality control. Consumers-of any heritage-would benefit from a reliable and complete destination that promises the highest quality, most actionable information.
* Internet-based health information, while abundant, does not meet healthcare needs at the level of the individual. Consumers seek current, personalized and easy-to-use information.
* Many companies are trying to understand and reach the Hispanic population; they try new packaging, products and organizational structures to better meet Hispanics' needs. The challenge going forward is to find innovative ways by which to communicate with this crucial consumer group.

1.1.1 Consumer Benefits  
Our company's success stems from its ability to offer personalized, accurate information while protecting our users' confidentiality, thereby providing a convenient, trustworthy way to become informed and proactive about health. We offer:

* Off- and On-line Community. We will partner with established community organizations to help educate Hispanics on their health and on the use of technology. For our online users, we will offer virtual support groups, chat rooms and email chains.
* Tailored Portal. Our site will offer the traditional portal-type services like bulletin boards and searchable databases. Our differentiation comes from the ease of personalization and streamlined access to data. Through the registration process, consumers can personalize their news briefs, product updates, and HealthCapsulesTM.
* Health CapsulesTM. The HealthCapsuleTM, SanaSana's customized bilingual email newsletter, is our way of keeping SanaSana's registered users up-to-date in their topics of interest. The information of interest to each SanaSana user will be summarized and sent to the user's secure SanaSana mailbox with user-specified timing (default timing is weekly) and format.
* Referrals. Our rating system asks consumers to report their healthcare-related experiences by recording their answers to the crucial question: "Would you recommend this product (or physician, hospital, procedure, insurance company, medication, etc.) to a friend or relative?"
* Physician Interaction. Site users can correspond directly with their personal physicians (also registered site users) thereby increasing preventative health practices. Additionally, our staff doctors will be available to answer questions in Spanish or English via email and chat rooms. We will also have a physician go "live on the net" to answer questions, creating a human image users can relate to.
* Privacy Protection. We understand that protecting the privacy of our users' information maximizes the trust necessary to build relationships in this space. Our site enables consumers to establish pseudonyms, complete with an accompanying web-based email address hosted by SanaSana. By encouraging this high degree of anonymity and privacy protection, people will feel safe surfing our site for their healthcare needs without fear of releasing privileged or personal information.

1.1.2 Business Partner Benefits  
By working with SanaSana, all of our industry partners-both health and non-health service companies, will benefit from increased access to a crucial population that will come to regard SanaSana as its most trusted source of health-related information. Allying with SanaSana will bring increased awareness and esteem for our industry partners. The specific services we will provide to our business partners include:

**Figure 2. Business Gains Triad**

|  |  |  |
| --- | --- | --- |
| **Payers** | **Providers** | **Suppliers** |
| Governmental Agencies and Insurance Companies   * Reduction in unnecessary care * Increases in plan enrollees | Hospital Systems and Physicians   * Application Service Provision * Inclusion in referral database * Complimentary web hosting with email address | Medical Device, Pharmaceutical and Consumer Goods Companies   * Access to clinical trial participants * Opportunities for targeted marketing and sampling campaign * New product pages |

* Online market research services. We will provide online focus group and survey services to improve our partners' understanding of these different groups.
* New product management tools. To facilitate our partners' launches of new products, SanaSana will provide a space by which to communicate new product news. We will also serve as an intermediary for new product sampling programs and consumer feedback.
* Office and practice management applications. SanaSana will offer application service provision (ASP). To our provider partners, we will provide use of office management tools and services. Other partners will be able to sell such services to our wide network of member physicians and hospitals.
* Clinical trial participant referral. Through the registration process, consumers can opt-into clinical trials for new drugs and treatment regiments. We will match interested, appropriate consumers with relevant, well-designed studies.
* Site sponsorship and targeted advertising. We will build long-term agreements with business partners by offering them the opportunity to sponsor our key content areas and display information to our registered users. Our staff will screen all information before final release.
* Web hosting services. To facilitate and attract new physician partners, we will offer to host their practices' web pages. Some capabilities we would include are online scheduling and children's inoculation reminder service.

#### 1.2 Entry Strategy Description

In order to provide consumer health information, SanaSana must form broad alliances.

* Partnerships with key Hispanic doctors. The trusting relationship between physicians and patients comprises an essential ingredient for optimal medical care. To this end, SanaSana will identify and align itself closely with leading Spanish-speaking physicians in core cities. Having these doctors endorse and critique our service will allow us to provide a uniquely valuable product to Hispanic health consumers.
* Alliance with key medical institutions. Several medical institutions and societies specifically serve the Hispanic community. Professional organizations, like the National Hispanic Medical Association (NHMA) and the Association of Hispanic Nurses, can help us to establish deep community ties and enhance our credibility. We are currently discussing alliance opportunities with the NHMA.
* Alliance with existing Internet vehicles. Several large Spanish-language "portals" offer links to Spanish-language medical sites, but these sites lack consistent quality and reliable usefulness. Because of their large user base, portals like Yupi and Starmedia represent important alliance partners for SanaSana, allowing rapid capture of a high proportion of Hispanics online.

#### 1.3 Barriers to Entry

SanaSana's barriers to entry originate from two sources: its content and community.

* Content. There exists little health information translated for Hispanics and written for non-physicians. Thus, SanaSana's library of understandable, Spanish language health information and novel, proprietary HealthCapsulesTM represent a barrier to entry and revenue potential.
* Community. In order to ensure success, SanaSana must create a vibrant community between medical institutions, prominent Hispanic doctors, technology and Hispanic consumers. Once established, these relationships and this community will serve as potent barriers to entry. Because of first-mover advantage and our contacts within medical institutions and others in the industry, we are well positioned to create this barrier.

**Figure 3. Barriers to Entry**

|  |  |
| --- | --- |
| Community | Content |
| Prominent, concerned physicians | Proprietary, novel HealthCapsulesTM |
| Community based computer terminals | Consistently current, reliably accurate |
| Physician office presence | Easily understandable and useful |
| Industry relationships and contacts | English, Spanish and Portuguese |

#### 1.4 Growth Opportunities Beyond the U.S.

With initial success in the U.S., we will then expand internationally. Our extraordinary opportunities for expansion come from three key areas. See Appendix B for details.

* Leveraging the reputation and relationships from a successful U.S. launch
* Launching SanaSana in Latin America and other Spanish-speaking countries
* Scaling the SanaSana "information-transformation-engine" into non-Spanish-speaking countries
* **MARKET ANALYSIS**

#### 2.1 Competitive Landscape

* Below we describe select competitors. In Appendix C we present a complete stratification map.
* **Figure 4. Select Competitors**

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| --- | --- | --- | --- |
| **COMPETITORS** | **PLAYERS** | **COMPETITIVE CHECKLIST** | |
| General Spanish-language Portals All-purpose sites providing search engine with links to potentially thousands of other sites | Ole! QuePasa StarMedia Yupi | Threat | High |
| Focus | Non-medical |
| Capitalization | High |
| Alliances | High |
| Hispanic Focus | High |
| Reliability/Quality | High |
| English-language Health Portals Content providers serving as stand alone entities with news, community, interactive applications, and medical advice from professionals | DrKoop OnHealth webMD | Threat | High |
| Focus | Medical |
| Capitalization | High |
| Alliances | High |
| Hispanic Focus | Low |
| Reliability/Quality | High |
| Spanish-language Health Portals Sites with links to Spanish-language health sites worldwide; focused exclusively on health and targeted towards Spanish-speaking consumers | Vistalink MedicinaTV MiPediatrica GINEweb Salud | Threat | High |
| Focus | Medical |
| Capitalization | Low/Medium |
| Alliances | Low |
| Hispanic Focus | High |
| Reliability/Quality | Medium |
| Insurance and Managed Care Sites serving primarily as advertising tool with expected transition to information source for members | Aetna Allstate Prudential | Threat | Low/Medium |
| Focus | Advertising |
| Capitalization | High |
| Alliances | Medium |
| Hispanic Focus | Low |
| Reliability/Quality | High |
| Governmental Organizations Usually static text files with links to government-generated health information for consumers | Healthfinder | Threat | Low |
| Focus | Medical |
| Capitalization | Medium |
| Alliances | Low |
| Hispanic Focus | Low |
| Reliability/Quality | High |
| Private Content/Physicians Content developed by private citizens and physicians in solo or small group practices | Private citizens Solo practices Small groups | Threat | Low |
| Focus | Solely medical |
| Capitalization | Low |
| Alliances | Low |
| Hispanic Focus | High |
| Reliability/Quality | Low |

Despite the growing number of Spanish-language medical sites, the quality and breadth of information remains limited. While all pose potential threats, they leave gaps in the competitive landscape. No competitor focuses on being the single source of health information for the Spanish-speaker. Redirection and links are quite prevalent, and the path to high-quality information is not clear. SanaSana will be the only bilingual, customized health information destination that supports interactive community activities and makes the issues of the Hispanic and Latino healthcare consumer our priority.

#### 2.2 Market Size and Growth

2.2.1 Hispanic and Latino Consumers  
Two primary market phenomena make this consumer segment attractive to SanaSana:

* Hispanics and Latinos represent the fastest growing segment in the United States. With over 2% annual growth for decades to come, the size of segment will surpass that of all other ethnic groups combined by the year 2020. In addition, nearly 50% of Hispanic and Latino households are projected to have Internet access by the year 2005.  
  **Figure 5: Growth Trends for Hispanics and Latinos in the U S**

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| --- | --- | --- | --- | --- |
|  | **1999** | **2001** | **2003** | **2005** |
| Total U.S. Population (000s) | 272,888 | 277,800 | 282,800 | 287,700 |
| Total U.S. Hispanics (000s) | 32,000 | 34,700 | 35,900 | 38,200 |
| Total U.S. Hispanics Online (000s) | 3,541 | 6,445 | 8,379 | 14,160 |
| Total U.S. Hispanic Households (000s) | 9,200 | 9,600 | 9,900 | 10,300 |
| With Intemet Access | 16.6% | 24.0% | 34.3% | 49.5% |

* Source: "Falling Through the Net: Defining the Digital Divide ", U.S. Department of Commerce, July 1999.
* Hispanics and Latinos increasingly turn to the Internet for health information. Over 17 million U.S. adults have searched the Internet for health information. This number will surpass 30 million by year-end. Of these, over 15% are ethnic minorities.3
* Hispanic and Latino purchasing power is higher than ever. Purchasing power is -- $400B in 2000. Hispanic buying power has grown over 67% since 1990. In 1998, advertisers spent more that $2 billion trying to reach consumers of Hispanic descent.4

2.2.2 Business Partners  
SanaSana provides a way for providers of health and non-health related products and services to focus their marketing efforts on an attractive, targeted population. In exchange for the unique and valuable menu of services SanaSana offers (described in Section 1.1.2), these business partners provide SanaSana with significant revenues. Among business partners, four alone (drug companies, hospitals, physicians, and medical equipment suppliers) enjoyed combined revenues of over $715 billion. SanaSana can reduce their marketing and sales expenses in exchange for a part of the savings.

* Third party payers of health services-like insurance companies and the U.S. government spent extraordinary amounts for healthcare reimbursements. These payers continually search for more efficient ways to decrease the amount of unnecessary care.
* Providers of healthcare-such as hospitals and pharmacies-have marketing and sales budgets to attract new customers for their services. Many of these providers would be willing to pay SanaSana for access to a highly targeted market.5
* Suppliers in health services-from academic medical institutions to medical equipment companies-also will pay for access to SanaSana's consumers. For instance, the pharmaceutical industry alone will spend an estimated $1.5 billion in 1999 on untargeted direct-to-consumer marketing.6
* Non-health services suppliers-like consumer products companies-offer more and more "healthy living" products. Allergy control cleaners and "heart smart" foods represent just two such product lines. These companies will pay in exchange for the opportunity to perform focus groups and test their products with SanaSana consumers.7

#### 2.3 Market Test Results

Between August and December 1999, the team conducted 64 interviews and surveys with consumers and physicians. We also met with more than 22 representatives from pharmaceutical, consumer products, hospitals, and insurance companies to obtain feedback and gauge interest on our idea. The results of this primary research support our initial hypothesis for the merits of this business concept. All results signal a strong need for our products and services across our target Hispanic consumers and our industry partners.

Key insights from consumers, physicians, medical teaching institutions, pharmaceutical and consumer product companies:

* Consumers: Consumers crave personalized health information, preferably in their native language.
* Physicians: Hispanics are less educated about health and less medically studied than typical patients.
* Medical Teaching Institutions: There is a general lack of quality health information provided in Spanish, and they would be willing to pay for access to such information.
* Drug Company Representatives: Due to the growing Hispanic and Latino populations, drug companies desire access to this demographic for participation in clinical trials.
* Consumer Product Brand Managers: Future growth opportunities in consumer products exist through the creation of separate products for the health conscious consumer, and especially the Hispanic consumer.

**MANAGEMENT TEAM**

The SanaSana management is a key asset necessary to propel this project forward. Combined, the seven founders have over 50 years of direct experience in general management, e-commerce, finance, marketing, medicine, and operations. Each also stands poised to earn an MBA with Distinction from the University of Michigan Business School. The strength of the team stems from three major factors:

* Each team member commands substantial knowledge and skill. In addition to the theoretical knowledge and classroom skills evidenced by academic honors, each team member has a history of achievement in his or her previous field which is beyond that expected for age.
* The management team works well together. The management team was borne of friendship and mutual respect. A strong ethic of teamwork manifests itself in an open and cooperative work style.
* Each team member is committed to bringing the project to fruition. Each team member will sacrifice more certain opportunities in order to complete this project. Foregoing their positions-each at the respective industry's leading firms-shows the depth of the team's commitment.

#### 3.1 The Team

The roles of each team member are in line with qualifications and interests, bolstering the feasibility of our plans. The following figure shows the background of each member and the organization of SanaSana.

**Figure 6. Team Member Matrix**

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|  | **Background** | **SanaSana Role** |
| Elizabeth Barton | Sales, Consulting | Customer Experience |
| Carlos De Jesus | Sales, Brand Management | Marketing |
| Adam Farkas, MD | Medicine, E-commerce | Technology |
| Ricardo Fernandez | Finance, Brand Management | Business Development |
| Brian Khoury | Finance, Entrepreneur | Communications |
| Hyung Kim, MD | Medicine, Academic Professor | Medical Affairs |
| Jamel Richardson | Operations, Brand Management | Operations |

Summaries of team members' individual qualifications can be found behind both the front and back covers of this document.

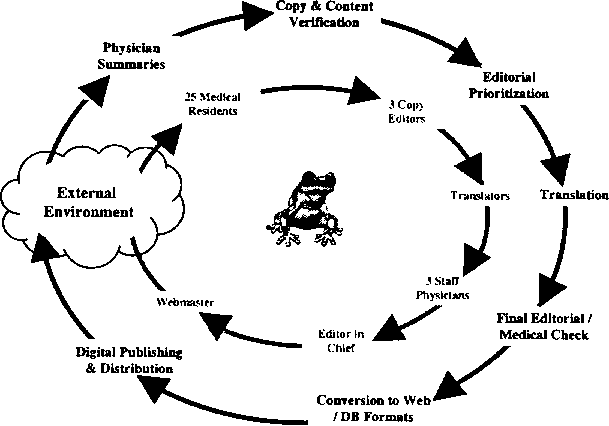
#### 3.2 Future Team Members

In addition to the seven principals noted above, SanaSana will recruit senior executives with specific functional skills required of future operations. Candidates meeting qualifications will be added as the business's operations merit.

**OPERATING STRATEGIES**

#### 4.1 Design and Development Of Products and Services

* Product Development. The array of informational products that SanaSana offers will be generated via a tiered editorial approach (see diagram). The information gathering and filtering mechanism that results from this activity will allow SanaSana to deliver a timely and value added service.
* Proprietary Content Development. Our desire to provide information of the highest quality will require the initial content synopses be generated by physicians. We will utilize a network of semiretired physicians, resident physicians as well as practicing physicians for this content development. Additionally, three physicians on staff will function as gatekeepers for the recommended articles. The editorial staff will initially consist of 46 people.
* Content Acquisition. Content that the SanaSana site will deliver to consumers and its associated partners will initially be derived from medical journals, peer-reviewed research, news releases and other health related communications. Much of the content, such as general background on afflictions, photos, or drug interactions already exists in databases and can be accessed for a fee; novel content will be generated internally. Each user page of content will be created dynamically, applying user-defined selections.
* Translation Logistics. An editorial staff will carry out both editing and translation. We will outsource this service to bilingual technical writers that take the physician's summaries of prominent articles and then translate them into Spanish. A detailed diagram of this process follows.

**Figure 7. SanaSana "Information Transformation Value Cycle"** 

#### 4.2 Product Delivery

Our primary methods of product delivery will be through our web site and HealthCapsulesTM. Our Hispanic clients will experience user-defined web space and an opt-in email newsletter informing them of the latest health news when subscribing to our service. In anticipation of increased Internet usage on "alternative" devices, such as alphanumeric pagers, wireless networks, PDAs, and community based computer terminals, we will ensure that our web pages are coded with maximum portability in mind. Rigid adherence to open standards will make information delivery across all of these platforms easy and satisfying to the end user.

#### 4.3 Resource Needs

4.3.1 System Design  
While technology changes rapidly, our design goal remains constant: to create a compelling environment for our customers. To achieve this, our technological solution must provide a high degree of reliability and scalability. A summary of the architecture that powers the site is outlined below. For a more detailed description of our solution, please see Appendix E for the infrastructure implementation schedule.

* System Architecture. The Sanasana.com web site will be built atop the arsDigita Community System (ACS) platform. This powerful open-source toolkit is used to build interactive web based applications. It runs on a variety of UNIX-platforms, and interfaces with Oracle 8.1 RDBMS and AOLServer to produce highly scalable, reliable, and portable database-backed web solutions.
* Development Hardware. Our choice of software platform allows us to use a network of Intel based workstations running FreeBSD UNIX as our development environment. These machines provide us with a fully functional test environment from which our software and content can be directly uploaded to a production environment.
* Production Hardware/Connectivity. For a maximal degree of reliability and scalability, we will use Sun 450 Enterprise-class machines in our production environment. These machines will be physically co-located at above.net in Vienna, Virginia. This allows us to leverage above.net's expertise in system administration and physical protection for mission-critical servers. It also provides us with a mechanism to transparently increase our bandwidth to the Internet as our user base grows, preventing system slow-downs and unnecessary downtime.

#### 4.4 Marketing Plan

The marketing plan focuses upon actions which will occur during the short term to create barriers to entry, ensure sources of revenue, secure customers for the site, create trust in the Hispanic community and generate grass roots excitement for SanaSana. The operations and infrastructure timeline is located in Appendix E.

|  |  |  |  |
| --- | --- | --- | --- |
| **Phase 1 May thru July 2000** |  | **Secure Alliances and Partnerships** | **Marketing Vehicle Employed** |
| **B2C** | * Community Service Organizations in Los Angeles, New York and Miami   + Hispanic Business Association   + Parents as Teachers | * Trips to target cities * Email * Letters * Phone Calls * Personal Contacts * Site Demonstration |
| **B2B** | * National Hispanic Medical Association * Consumer Goods Companies   + Procter & Gamble   + General Mills   + S.C.Johnson | * Personal Contacts * Letters * Email * Phone Calls |

|  |  |  |  |
| --- | --- | --- | --- |
| **Phase 2 Aug thru Sept 2000** |  | **Secure Alliances and Partnerships** | **Marketing Vehicle Employed** |
| **B2C** | * Community Service Organizations in San Francisco, Chicago and Houston   + Hispanic Business Association   + Parents as Teachers | * Trips to target cities * Email * Letters * Phone Calls * Personal Contacts * Site Demonstration |
| **B2B** | * Insurance Companies   + Allstate * Doctors in Los Angeles, New York and Miami * Pharmaceutical Companies   + Perrigo   + Warner Lambert | * Trips to business partners * Personal Contacts * Letters * Email * Phone Calls |

The marketing program in Phases 3 and 4 continues to generate visitors for SanaSana while establishing brand awareness and equity for both consumers and business partners.

|  |  |  |  |
| --- | --- | --- | --- |
| **Phase 3 Oct thru Dec 2000** |  | **Secure Alliances and Partnerships** | **Marketing Vehicle Employed** |
| **B2C** | * Government Agencies   + HUD   + Health * Community Service Organizations in San Antonio, Dallas, Albuquerque * Hispanic Business Association * Parents as Teachers | * Trips to target cities * Public Relations * Advertising in 9 cities * TV (Univision, Telemundo) * Radio * Newspaper |
| **B2B** | * Doctors in San Francisco, Chicago and Houston * Medical Supply Vendors * Hispanic Advertisers   + Sears   + AT&T   + GM   + McDonald's | * Written Correspondence * Trips to target cities * Articles in NHMA newsletter and Hispanic Business Times * Computers in doctor offices in Los Angeles, New York and Miami |

|  |  |  |  |
| --- | --- | --- | --- |
| **Phase 4 Jan thru Mar 2001** |  | **Secure Alliances and Partnerships** | **Marketing Vehicle Employed** |
| **B2C** | * Community Service Organizations in Brownsville, Phoenix, El Paso, San Diego and Fresno * On the Ground in LA, New York and Miami | * Trips to target cities * Public Relations * Community health lectures * Advertising in all cities * TV (Univision, Telemundo) * Radio * Newspaper |
| **B2B** | * Doctors in remaining cities * Logical Web Sites   + Yupi   + Gloria Estefan, Edward James Olmos * Newspapers * Medical Supply Vendors | * Written Correspondence * Trips to target cities * Links on partner web sites * Computers in doctor offices in San Francisco, Chicago and Houston |

4.4.1 Projected Number of Users  
The advertising outlined above is the cornerstone for acquiring our registered users. We estimate a capture rate of 4%8 of the online Hispanic consumers. Our overall U.S. growth comes from continuing to capture 4% of the growing Hispanic Internet population. This estimate takes into account that increasing competition will make capturing these consumers more difficult. For this reason we will increase our marketing acquisition dollars each year to ensure continued growth. The table below provides the number of projected users of SanaSana by the end of each year and the per user acquisition cost.  
  
**Figure 8. Growth of User Base**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Startup** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| Total U.S. Hispanics Online (000s) | 3,541 | 4,958 | 6,445 | 8,379 | 10,892 | 14,160 |
| # Registered SanaSana Users (000s) | NA | 198 | 258 | 335 | 436 | 566 |
| Acquisition Cost per New User | NA | $40 | $50 | $55 | $60 | $65 |

4.4.2 Other Consumer Acquisition and Retention Strategies  
In addition to the methods discussed above, we will take other steps to secure our position.

* Internet alliances. Given the importance of rapidly building a consumer-base, we will partner with Internet sites like Yupi and Star Media. These sites are currently the best way to reach Hispanic and Latino consumers, but they lack up-to-date and pertinent health-related content.
* Free service. Consumers have come to expect free information on the Internet, but many vendors currently charge subscription fees to certain consumer classes. At SanaSana, both consumers and physicians will get free access, permitting the fastest possible establishment of the SanaSana consumer base and benefits of network externalities
* Retention plans. In order to minimize consumer churn, which we project at 10% throughout our five years, we will spend $359 per registered user to ensure that we continue to enjoy their loyalty. Our retention strategy consists of 4 components to reduce "churn" by increasing switching costs.
  1. Community. Consumers who connect with an online community spend more time more often at an Internet site. SanaSana will permit interested and motivated consumers to create viable communities reinforcing the "stickiness" of our site and encouraging regular return visits. Discussion groups for doctors will allow sharing of knowledge and practice building.
  2. Content. Compelling and useful, our proprietary health-related information will be presented through discussion groups, "ask-the-doctor" venues, and the latest news stories on health breakthroughs and literature reviews. Interactive databases will educate on common ailments and permit our consumers to identify additional resources. By creating forums around certain health concerns, targeted messages and promotions can be sent to a relevant group.
  3. Customization. The HealthCapsule newsletter comprises our main vehicle for customization. The opt-in nature of this communication also allows SanaSana to reach a very targeted audience and identify appropriate recipients of direct-to-consumer pieces and inquiries from consumer and pharmaceutical goods partners.
  4. Retention Marketing. In addition to offering benefits above and beyond those of our competitors, the use of product discounts, special product offers from our partners, reminder emails, and holiday gift cards will be part of this retention campaign.

4.4.3 Initial Pricing Strategy.  
Partial funding for the marketing and operation activities of SanaSana will come from our industry partners. SanaSana's initial pricing strategy was generated using competitors' pricing models as a benchmark.  
  
**Figure 9. Product Pricing**

|  |  |
| --- | --- |
| Banner Advertising (CPM) | $35 |
| Health Capsules (CPM) | $45 |
| Content Area Sponsorship Fee | $120,000 |
| Online Focus Groups Set-up Fee | $2,000 |
| Online Focus Groups Fee (10 participants) | $2,000 |
| Online Surveys (1,000 distributed) | $30,000 |
| Sample Fee (CPM) | $200 |

**FINANCIAL PROJECTIONS**

The financial projections for SanaSana are quite encouraging. The growth of Hispanic adoption of Internet usage10 , the lack of useful health content targeted at the Hispanic/Latino population, and the opportunity for product developers to seek feedback from a targeted community in a cost-effective manner provide a unique, yet short window of opportunity for SanaSana to be a first mover. The following sections provide a synopsis of the financial outlook for the business.

#### 5.1 5-Year Financial Summary.

The table below provides a 5-year earnings outlook for SanaSana. As can be expected, earnings and cash flow for Startup, Year 1 and Year 2 are negative due to slow revenue ramp-up with heavy expenditures in content development to build the site and marketing functions to attract a large number of necessary customers.

**OPERATING EARNINGS**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **(In thousands)** | **Startup** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| Revenues | | | | | | |
| Sponsorships | $0 | $1,440 | $3,840 | $7,560 | $13,920 | $23,400 |
| Product Development Services | $0 | $3,663 | $5,598 | $8,192 | $12,267 | $17,808 |
| Research Studies & Commerce | $0 | $1,265 | $2,619 | $4,455 | $7,201 | $12,237 |
| Advertising | $0 | $832 | $1,927 | $3,101 | $5,011 | $8,125 |
| Total | $0 | $7,200 | $13,984 | $23,307 | $38,399 | $61,569 |
| Expenses | | | | | | |
| Content Development | $406 | $372 | $1,224 | $2,322 | $3,526 | $5,044 |
| Operations | $231 | $1,203 | $1,444 | $1,788 | $2,177 | $2,716 |
| Marketing | $220 | $12,110 | $10,129 | $14,018 | $18,777 | $25,129 |
| G&A | $1,065 | $2,359 | $2,716 | $3,078 | $3,496 | $3,977 |
| Total | $1,922 | $16,044 | $15,514 | $21,206 | $27,976 | $36,866 |
| EBT | ($1,922) | ($8,844) | ($1,529) | $2,101 | $10,423 | $24,703 |
| INFLATED EBT (3% per year) | ($1,922) | ($9,110) | ($1,622) | $2,296 | $11,731 | $28,637 |
| Taxes (Assumes 35% tax rate) | ($673) | ($3,188) | ($568) | $804 | $4,106 | $10,023 |
| NET EARNINGS | ($1,249) | ($5,921) | ($1,055) | $1,493 | $7,625 | $18,614 |
| Cash Flow (adj for tax credits) | ($1,922) | ($9,110) | ($1,622) | $5,922 | $7,625 | $18,614 |
| Cumulative Cash Flow | ($1,922) | ($11,032) | ($12,654) | ($6,733) | $893 | $19,507 |

This income model is contingent upon a number of key volume estimates. Figure 13 below provides the more critical volume assumptions for SanaSana. Please see Appendix F for the complete list of assumptions and all detailed financial statements.

**Figure 10. Assumptions**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Startup** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| # Hispanics in the US Online | 3,541,333 | 4,957,867 | 6,445,227 | 8,378,795 | 10,892,433 | 14,160,163 |
| # registered users |  | 198,315 | 257,809 | 335,152 | 435,697 | 566,407 |
| # content areas |  | 20 | 40 | 60 | 80 | 100 |
| # emails sent |  | 12,606,045 | 26,090,278 | 37,309,097 | 53,352,009 | 76,293,372 |
| # Health Capsules sent per year per content area |  | 52 | 52 | 52 | 52 | 52 |
| Total New product space purchased per year |  | 480 | 960 | 1,440 | 1,920 | 2,400 |
| # Licensing agreements (content licensing) |  | 6 | 9 | 15 | 20 | 30 |
| # willing to participate in research studies |  | 618 | 4,561 | 5,930 | 7,708 | 10,021 |
| # new products samples sent per year |  | 1,189,888 | 1,703,098 | 2,440,058 | 3,513,416 | 5,058,613 |
| # surveys distributed per year |  | 98,166 | 127,732 | 166,368 | 217,774 | 285,046 |
| # focus groups per year |  | 90.0 | 150.0 | 210.0 | 285.0 | 360.0 |

#### 5.2 Revenues and Expenses

Below are brief descriptions of the revenue and expense components of the income statement. For a more detailed description of the key line items, please see Appendix F.

5.2.1 Revenues  
SanaSana will have four primary sources of income: sponsorships, product development services, research subjects and commerce, in addition to advertising.

* Sponsorships. This is a mechanism to build long term relationships between SanaSana and its industry partners. These partners will pay to get the right to sponsor key content areas on the site and build their own brand equity.
* Product Development Services. SanaSana offers its business participants access to the fastest growing population in the United States for product development. SanaSana will conduct online surveys, online focus groups, sampling and new product information pages. Not only will these services be offered at prices less expensive than their traditional counterparts but they will also be conducted with less turn-around time.
* Research Subject and Commerce. In order to take advantage of its database for purposes outside of advertising, SanaSana will also provide a mechanism to assist its business partners in acquiring participants for research studies. SanaSana will also offer its bilingual content to interested parties and finally, SanaSana will receive revenue from affiliated a-commerce sites.
* Advertising. SanaSana will charge its various business partners (outlined in Section 5.1) for rental of its Internet "real estate".

5.2.2 Expenses  
We have divided SanaSana's expenses into four categories: Content Development, Marketing, Operations and General and Administrative (G&A).

* Content Development. All expenses related to the development of SanaSana's various products and services are included in this category. SanaSana will need to acquire and license content from a variety of sources.
* Marketing Expenses. This category includes all expenses related to understanding and communicating with business customers and Hispanic consumers. This includes advertising to consumers, businesses, and doctors. It also includes expenses for market research, public relations, trade show and promotional activities.
* Operations. Included in this category are the expenses involved in conducting online surveys and focus groups as well as the contracting expenses necessary to develop the web site.
* G&A. This category includes all other organizational and overhead expenses.

#### 5.3 Funding Requirements

5.3.1 Amount and timing.  
As can be seen from the Statement of Cash Flows below, the management of SanaSana, will need $10 million of cash over the next 18 months.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Pro-forma Statement of Cash Flows (FY2000)** | | | | | | |
|  | **EOP Startup** | **EOP Year 1** | **EOP Year 2** | **EOP Year 3** | **EOP Year 4** | **EOP Year 5** |
| CASH FLOWS FROM OPERATIONS | | | | | | |
| Net Earnings | ($1,249,308) | ($5,748,894) | ($993,987) | $1,365,954 | $6,775,079 | $16,056,886 |
| Change in Working Capital | | | | | | |
| Decrease /(Increase) Accounts receivable | $0 | ($1,374,509) | ($1,305,680) | ($1,730,704) | ($2,814,255) | ($4,348,203) |
| Decrease / (Increase) Inventory | ($22,077) | $2,000 | ($16,392) | ($21,099) | ($23,162) | ($29,190) |
| Decrease / (Increase) Prepaid expenses | ($8,400) | ($1,600) | ($4,000) | $0 | $0 | $0 |
| Increase / (Decrease) Accounts payable | $219,135 | $975,781 | ($46,051) | $444,257 | $529,446 | $700,868 |
| TOTAL CASH FROM OPERATIONS | ($1,060,650) | ($6,147,222) | ($2,366,110) | $58,408 | $4,467,108 | $12,380,362 |
| CASH FLOW FROM INVESTING | | | | | | |
| Investments | $0 | $0 | $0 | $0 | $0 | $0 |
| TOTAL CASH FROM INVESTING | $0 | $0 | $0 | $0 | $0 | $0 |
| CASH FLOW FROM FINANCING | | | | | | |
| Short-term debt | $0 | $0 | $0 | $0 | $0 | $0 |
| Long-term debt | $0 | $0 | $0 | $0 | $0 | $0 |
| Owner's equity | $2,000,000 | $6,000,000 | $2,000,000 | $0 | $0 | $0 |
| TOTAL CASH FROM FINANCING | $2,000,000 | $6,000,000 | $2,000,000 | $0 | $0 | $0 |
| NET INCREASE / (DECREASE) IN CASH | $939,350 | ($147,212) | ($366,110) | $58,408 | $4,467,108 | $12,380,362 |
| CASH, BEGINNING OF PERIOD | $0 | $939,350 | $792,128 | $426,019 | $484,426 | $4,951,535 |
| CASH, END OF PERIOD | $939,350 | $792,128 | $426,019 | $484,426 | $4,951,535 | $17,331,896 |

5.3.2 Staged Funding Needed  
This investment will be required in the installments detailed below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Jun 2000** | **Nov 2000** | **Feb 2001** |
| **Cash Needed** | **$2.0MM** | **$2.5MM** | **$5.5MM** |

5.3.3 Use of Funds   
Startup (June 2000 to December 2000). During the first six months after launch (startup phase), SanaSana will invest a majority of its capital in building the web site and content for its business. Also, SanaSana will begin a communication and sales effort with potential business partners and doctors. The goal of this effort is to have a set of established businesses and medical professionals supporting the business prior to its launch. A smaller set of funds will also be used to begin a marketing effort to potential Hispanic users.

Year 1 (December 2000 to December 2001). The majority of the funds available in this phase will be spent on consumer marketing. As described above, the success of this business is dependent upon achieving a critical mass of consumers. It is only with this large, targeted consumer-base that SanaSana can expect to earn revenue from advertising.

5.3.4 Long-Term Financial Strategy  
We see two options for our future financial strategy, internal expansion or exit strategy.  
Expansion Model. In order to increase market share and access additional markets, SanaSana must raise additional capital.

* Venture Capital. SanaSana seeks to partner with venture capital industry leaders that would provide both financial assistance as well as industry, legal, technological and marketing insights. We foresee at least two rounds of VC infusion prior to an IPO.
* IPO and Secondary IPO. An IPO would clearly benefit the company by allowing us to leverage the additional resources and market valuation to purchase additional information, and increase company credibility. The additional funds, similar to the VC expansion model, would be utilized to increase promotion and acquire a stronger market presence. A successful secondary IPO will again allow the company to raise "cheap" capital to promote expansion into new markets where publicly traded shares may not be suitable.
* Franchising. A clear competitive advantage of SanaSana is our rapid information translation model. The success of this model will translate with ease throughout other countries. However, it is important to recognize that each country has different customs and a distinct local culture. By franchising our model and/or joint venturing with local community leaders, we would facilitate the adoption of our product and subsequently increase revenues.
* Partnerships. Currently we are seeking partnerships with traditional media, newspapers and television networks, fueling expansion by infusing capital and offering cross marketing opportunities. Again, these associations will provide opportunities to build brand awareness and loyalty; they are critical to the financial success of the business model.

Acquisition Model. Current competitors in both the Spanish language and English language market space are obviously acquiring candidates.

* English-language based Health sites. We foresee an opportunity to be purchased by organizations seeking to enter our space, such as webMD, Medscape, or drkoop. This would allow the English-language based competitors to quickly gain users, realize synergies and address the growth needs that have been worked into their forecasts.
* Spanish based Internet Businesses. Again, we believe that there will ultimately be a consolidation in the industry in the next 2-4. years. As the Spanish based Internet market continues to grow, there will also be a need to establish credibility and gain users. Similar to the reasons behind AOL's purchase of CompuServe, a registered and active community of Hispanic or Latino users will have significant value. Acquisition of a growing firm with a highly differentiated user base will help them to increase their market presence while leveraging synergies.
* New Entry. The Internet business is still in its infancy in the Spanish market. Subsequently, there will be companies seeking to enter this space. A quick way to gain credibility would be to purchase a successful site that has a transferable business model. We believe that while this may not be the most attractive model, as there are few synergies, it would certainly offer the highest premium for acquisition.

**BUSINESS RISKS**

The risks related to our business are both internal and external.

#### 6.1 Financial Risks

Our quarterly revenues and operating results are difficult to predict and may fluctuate significantly from quarter to quarter as a result of a variety of factors, including:

* Changes in our pricing policies or the pricing policies of our competitors.
* Seasonal patterns of spending by advertisers and sponsors and trends in advertising rates.
* Costs related to acquisitions of businesses or the timing of payments to our strategic partners.
* Fluctuations in expected revenues from our strategic relationships.

#### 6.2 Legislative / Legal landscape

* Malpractice liability exposure.
* Privacy legislation.
* Advertising drugs, cosmetics and nutritional supplements.
* Storage, transmission and disclosure of medical information and healthcare records.

#### 6.3 Operational Risks

To attract and retain users to the SanaSana community, we need to continue to provide unique and informative content. We will need to purchase or license a portion of this content from third parties. Competition for content from people with the professional reputation, name recognition and expertise that we require is intense and increasing. This competition may increase the fees charged by high quality content providers, resulting in increased expenses for us.

6.3.1 Content generation /Acquisition  
We will not only have to expend significant funds to obtain and improve our content, but we must also properly anticipate and respond to consumer preferences for this content. If we are unable to enter into agreements for the delivery of desirable content, or lose any existing agreements, it could delay market acceptance of the SanaSana network. Other risk include:

* Attract and retain a large audience of users to our SanaSana community.
* Gain revenues from vendors of health-related products and services.
* Create and maintain successful strategic alliances with portals, provider groups, content providers and other third parties.
* Develop our institutional Internet services business and external content delivery infrastructure.
* Attract, retain and motivate qualified personnel.
* Develop or acquire unique health-related content

Any systems problems in the SanaSana network, such as system disruptions, slower system response times, and degradation in customer service levels, could result in negative publicity, cause our users to use our competitors' services and reduce our revenues. Additionally, if we fail to meet the web site performance standards in our contracts with our institutional clients, they may terminate their agreements, require refunds or fail to renew contracts with us, any of which could decrease our institutional revenues.

* The SanaSana site may experience temporary system interruptions due to power and telecommunications failures
* We are also vulnerable to breaches in our security and natural disasters.
* Outsourcing the server hosting function to a third party may leave some systems interruptions outside of our control.

#### 6.4 Brand Building & Awareness

A failure to build our brand names quickly and significantly will result in lower than expected revenues. If we do not gain significant brand recognition quickly, we may lose the opportunity to build a critical mass of customers and our business may fail. To increase brand recognition, we will need to increase substantially our sales and marketing efforts, our third party alliances, and our content, product and service offerings, all of which are expensive.

We receive sponsorship revenues from advertisers of health-related products on our web sites and revenues from sales of health-related products. However, our success in attracting and retaining users to our web sites depends on our being a trusted source of independent health-related information. There are several risks inherent in brand building; we believe the following to be most relevant:

* Compete effectively against better-established Internet health companies, such as drkoop.com, medscape.com or webMD.com.
* Promote our HealthCapsule newsletter and the associated brands related to SanaSana
* Address the ability to offer desirable product promotions.
* Deal with fluctuations with which visitors to our SanaSana web site convert into customers.
* Shifts in user traffic levels on SanaSana and associated costs.

Endnotes 1 U.S. Department of Commerce, "Population Projection of the United States by Age, Sex, Race and Hispanic Origin: 1995-2050". February 1996. 2 United States Center for Disease Control and Prevention, 1997. 3 Cyber Dialog, "Healthcare Industry in Transition". 1999. 4 Selig Center for Economic Growth, University of Georgia, "Hispanic Buying Power by Place of Residence". 1999. 5 E. Miller, M.D., Interview, Dean and CEO, Johns Hopkins. Medicine 6 Cyber Dialog, "Healthcare Industry in Transition". 1999. 7 Ernesto Levy, Interview, Brand Manager - Fit Brand, Procter & Gamble Co. 8 Based on capture rate of all Internet consumers using drkoop.com Inc. 9 The Boston Consulting Group states that the price to retain an existing online customer to be $7. 10 U.S. Department of Commerce. "Falling Through the Net: Defining the Digital Divide". July, 1999. 11 U.S. Department of Commerce. "Falling Through the Net: Defining the Digital Divide". July, 1999. 12 US Department of Commerce, "Population Projections of the United States by Age, Sex, Race and Hispanic Origin: 1995-2050, February 1996. 13 US Department of Commerce. "Falling Through the Net: Defining the Digital Divide". July, 1999