

BUSINESS PLAN

CONFIDENTIAL

Home Share Circle LLC



homesharecircle.com

Dace Raven Park, Owner

Prepared November 2015

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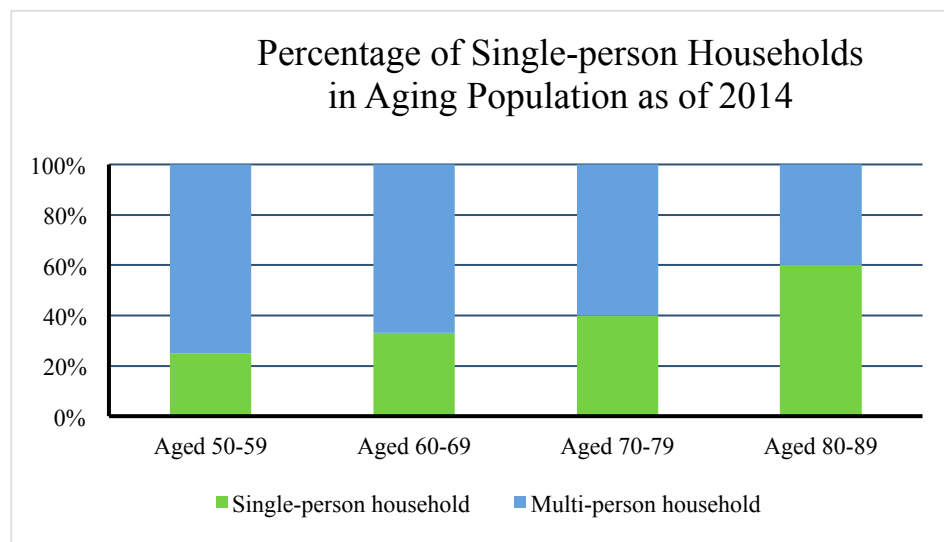
1. EXECUTIVE SUMMARY

1.1 Product

No one should have to worry about not having *home* or running out of resources as they age. Baby Boomers — and particularly women in that age group — are facing a looming housing crisis with many having to choose between paying for food, medication, or housing. We believe there should be a safe and easy way to share homes, alleviating the fears of being alone and running out of resources. We're creating a subscription-based web-application that offers: community forums, sharing agreements, background checks, and rent payment processing. We make it easy for those who'd like to share homes to find others to share with. Our tool empowers women to solve their own problem.

1.2 Customers

In 2014, the Joint Center for Housing Studies at Harvard University reported that after age 50 there is a dramatic increase in the number of single-person households.



(Harvard University, 2014)

The study also found that almost 33 million adults over age 50 are *cost-burdened*, meaning they pay over one-third of their income for housing. Women are disproportionately represented, both in single person households and in being cost-burdened. The United States Census Bureau reports there are currently 27.6 million single female households age 50-70. When adjusted for incomes between \$30-125k, that number is whittled down to 16.7 million. This market grows to 26.2 million over the next 40 years. We're specifically targeting these middle-income single women because they already use technology, they're more open to sharing, and they're disproportionately represented amongst the cost-burdened.

1.3 What Drives Us

Home Share Circle was born during a weekly gathering of female friends, ages 50-70. As we sat around our Friday night dinners, we would share our concerns and fears around aging. We talked about wanting to create community and wishing there were a way to safely and easily combine households or find roommates or simply “be there” for each other. These conversations lead to research and the discovery that we weren’t alone in our desires for community and safety. We also learned that there is limited information available about home sharing and no safe way to do it. We are driven by the desire that no one should have to worry about being alone or running out of resources as we age, and we’re developing Home Share Circle as a means to that end. We want the power to choose what our old age looks like and the means to create the community we desire.

2. COMPANY DESCRIPTION

2.1 Mission Statement

No one should have to worry about not having a home or running out of resources as they age. Given that almost 30 million Baby Boomers have housing costs that exceed 30% of their monthly income, these costs are excessive and a looming housing crisis is predicted. This housing crisis disproportionately affects women. We believe that our aging population will benefit from the sharing of homes and resources. Creating a safe and easy way to home share relieves the two major concerns that Baby Boomers face as they age: running out of money and being alone. Home Share Circle is a web-application to facilitate home sharing amongst Baby Boomers in general and women aged 50-70 specifically. The platform offers community building, background checks, sharing agreements, and payment processing which, unlike any current competition, makes it both safe and easy to home share.

2.2 Principal Members

Our team is well rounded with members who have strong backgrounds in technology, coding, design, marketing, and senior care. Our team consists of Dace Raven Park, Kimberlie Faybik, Sandra Childress, and Yvonne Larsen. Raven has a background in education with a M.Ed. in Instructional Design and Technology as well as over 6 years in geriatric services and 20 years in web design. Kimberlie has over 20 years in the health care industry both within hospital settings and senior home care. Sandra brings over 20 years of experience in web technology, marketing, and social media. Yvonne has been a software designer and coder for over 20 years.

2.3 Key Advisors

Current advisors are the team at Start-Up Tucson (a key player in Tucson's Economic Development infrastructure that specializes in nurturing startup companies and entrepreneurs). We were selected from over 75 applicants to participate in Start-Up Tucson's Thryve Incubator (Summer 2015). This opportunity has provided invaluable mentorship in research, design, financials, and marketing with continued support as we move forward. Through Start-Up Tucson's partnership with The University of Arizona's Eller School of Business, we've connected with associates at Roediger Hoff, CPA who've guided us in developing sound financials and projections. We also receive valuable guidance and feedback from the Arizona Center for Innovation and the Arizona Commerce Authority.

To minimize risks, we are currently seeking advisors in property management (for guidance on rent processing contracts) and landlord/tenant law (to insure that proposed sharing agreements are well written and reflect legal standards of our targeted markets).

2.4 Legal Structure

The company is a State of Arizona LLC.

3. MARKET RESEARCH

3.1 Industry

Baby Boomer shared housing is an emerging market. Over the past several years there has been increased media coverage, government studies, and social commentary regarding concerns over the lack of infrastructure for an aging population and home sharing is gaining traction as a viable affordable housing option.

3.2 Customers

During the summer of 2015, we worked with Start-Up Tucson's Thryve Incubator and researched our competitors and our customers. We've interviewed over 142 single women — aged 50-70 — in Arizona, Texas, and California. Our customers are single, middle income, educated, technology aware, active women. Smart phones are in every purse and they like Facebook and Pinterest and shopping on Amazon. They've told us they want opportunities for meaningful dialogue as well as sharing resources and finding like-minded peers. All are interested in sharing housing but have concerns about safety, liability issues, and don't want to deal with the hassle of collecting rent. Craigslist feels unsafe and a listing service doesn't offer community. They want to be the authors of their next chapter of life and active participants in developing solutions.

3.3 Competitors

Currently, the competition consists of a non-profit in Vermont that's been doing face-to-face home sharing facilitation for 30 years. A similar non-profit has just started in San Diego. One group, based in Miami, FL, facilitates placing seniors in the homes of nurses and caregivers. In the past year, three listing services have websites that have attracted paying subscribers. Co-housing communities are also competitors but are beyond the financial resources of our target market.

We differ from our competitors by developing a scalable model that offers a more interactive environment for sharers to find each other. By adding background checks, a liability insurance group-umbrella, and rent-processing, we make it safer for users to participate while alleviating the discomfort of dealing with money.

3.4 Competitive Advantage

Our closest competitor is a listing service geared specifically at Baby Boomer single women. Since their July 2015 launch, they've done very well with press coverage. For the \$78 yearly subscription fee, users can list their house or list that they are looking for a house. An advice booklet for an additional \$20 is also available. Their website is difficult to navigate, lacks a method to verify users, and does not provide a feeling of safety. Despite being neither easy nor safe, they have garnered over 600 subscribers and over 3500 Facebook followers in less than 7 months.

Based on our research and interviews, we're building a dynamic, mobile friendly, interactive online community with built in rent processing, liability insurance coverage, ready-made agreement packages, user verification, and background checks. By addressing the safety concerns and alleviating the rent collection discomfort, we make it both safe and easy to home share. This is a dramatically different model than the online listing services and non-profit models currently available.

3.5 Regulation

Currently there are no regulations regarding home sharing or facilitation of home sharing however, we are aware of liability concerns. We are currently consulting with both an attorney and an insurance specialist to better address liability issues. Our insurance consultant is researching combined renter/landlord policies that would directly address the needs of shared households whilst mitigating company liability. Given that each state has its own legal requirements, our strategy is to develop solutions for each state as we expand our markets.

4. PRODUCT/SERVICE LINE

4.1 Our Service

Our service is a web-application (see section 4.6 *Prototype*). We're in the development phase of designing a safe and easy, mobile friendly, online sharing platform to facilitate home sharing and provide content value add-ons with interactive community forums, direct messaging, sharing agreement packages, background checks, liability insurance coverage, and rent processing.

4.2 Pricing Structure

With three different memberships — Basic, Premium, and Deluxe — users can create a profile that best meets their needs. Basic membership has limited access to various features but is free and credit card verified through a minimal credit/debit charge that is then returned. At the Premium level, members pay a one-time membership fee of \$99 granting them full access to the community with the exception of the payment portal and liability coverage. Members can upgrade to the Deluxe level (\$39 yearly) to include the background check feature, liability insurance umbrella coverage and use of the payment processing portal (which incurs a 6% processing fee but insures another layer of financial safety due to the total separation of finances between parties). Our product offers the complete package that our customer interviews have indicated as having primary importance—community, safety and ease.

Membership	Basic	Premium ★	Deluxe ★
Price	FREE	\$99 lifetime	Premium plus \$39 yearly
Verification	Yes	Yes	Yes
Profile Type	Basic	Premium ☆	Deluxe ★
Search Types	Regional	National	National
Community Forum	Limited Access	☆	★
Messaging Other Members		☆	★
Background Checks			★
Payment Portal			★
Liability Coverage			★

4.3 Product/Service Life Cycle

Our service is in the introductory stage in a new market that will continue growing over the next 40 years.

4.4 Intellectual Property Rights

We are developing a proprietary platform and will seek copyrights and patents as necessary. We've also consulted a trademark attorney to pursue trademarks for our logo, our color combination, and Home Share.

4.5 Research & Development

From May 2015 through August 2015, we conducted extensive customer interviews and have tailored our product to meet customer demand. We will continue to pay attention to customer needs and adapt our service as more information becomes available.

4.6 Prototype

Home Share Circle is a mobile friendly web-application where individuals can create profiles, create listings, upload photos and documents, select preferences, search listings, refine searches based on preferences, message other users, and participate in community forums. There's also a payment portal.

The design concept wireframe (section 4.6.2) is a representation of the current vision. As we continue product testing, evaluating feedback, and conducting customer interviews revisions will be on going. It is an evolving work in progress.

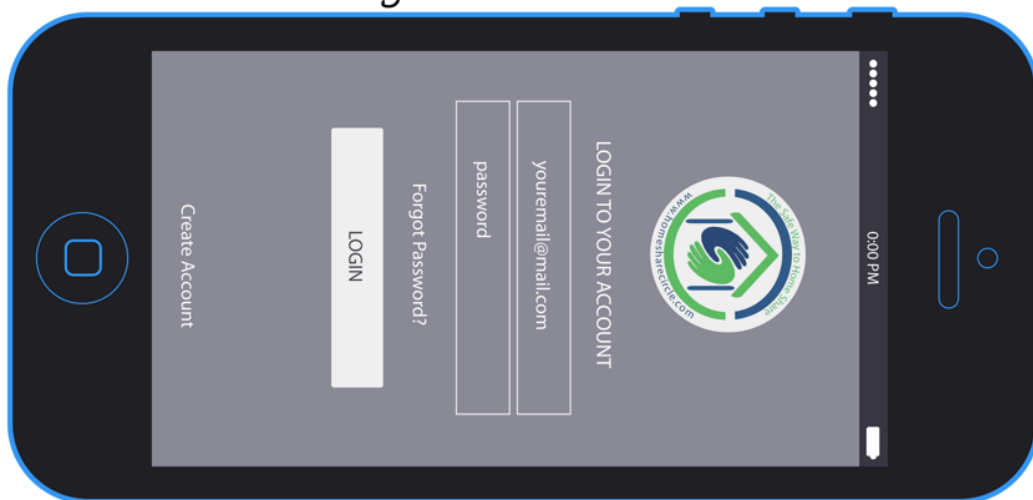
4.6.1 Prototype Key

- *Login:* Users enter email and password to login.
- *Welcome:* Welcomes users to the application and provides a link to the Dashboard.
- *Dashboard:* It's the command center and provides links for user personalization and various settings (like notifications, favorites, profile, listing, etc).
- *Profile:* Users can mark whether they are seeking a sharer or are seeking a home and then fill out various demographics, upload photos, share interests, etc.
- *Create Listing:* Users seeking a sharer use menus to create their listing and upload photos of their home.
- *Preferences:* Users can choose from various categories (new screen) and mark their preferences, from sharing vehicles to pets to smoking to sharing dinners and shopping.
- *Browse Listings:* Users can browse listings based on the location they enter and then refine their search based on important criteria (e.g. "must like dogs").

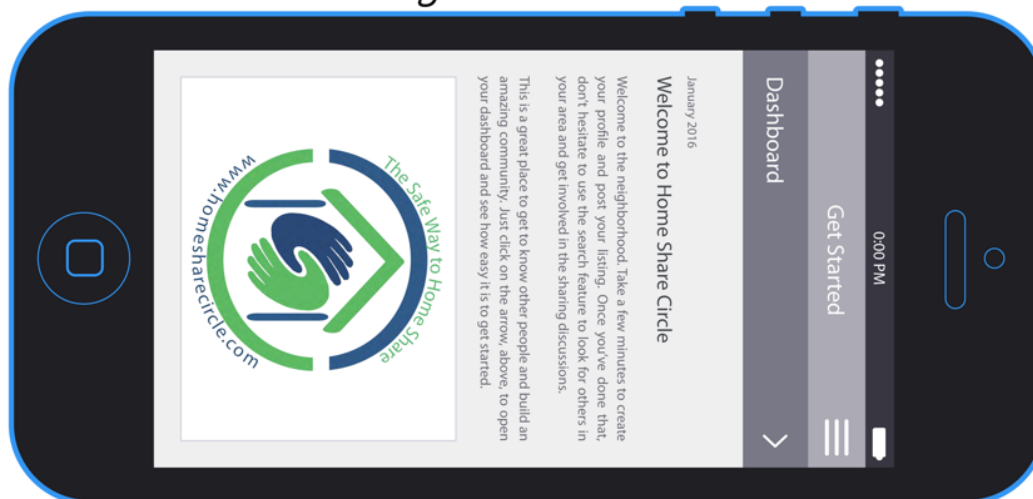
- *Search Results:* Returns listings that match various criteria with preview photos (if the listing includes photos) and brief location descriptors (although actual address is not revealed until the home owner approves the sharer).
- *Message Exchange:* Private messaging for users to get to know each other.
- *Community Forums:* Users can build community and discuss ideas with other users.
- *Community Discussions:* Threaded comments on various topics.
- *Added Value Content:* Users can find articles, useful links, and sharing agreements.
- *Payment Portal:* A click through to allow Deluxe users to use the payment portal (the actual processor is outsourced).

4.6.2 Prototype Wireframe

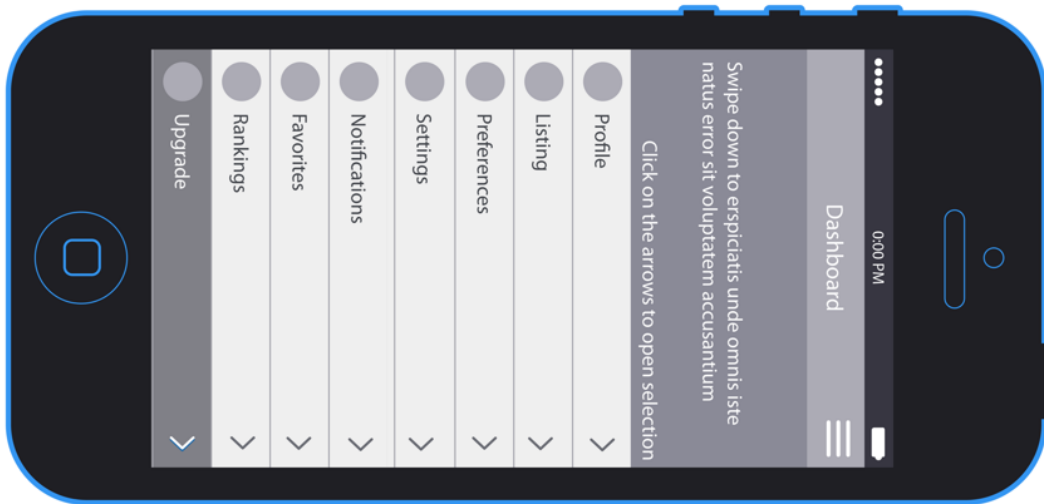
LOGIN Page



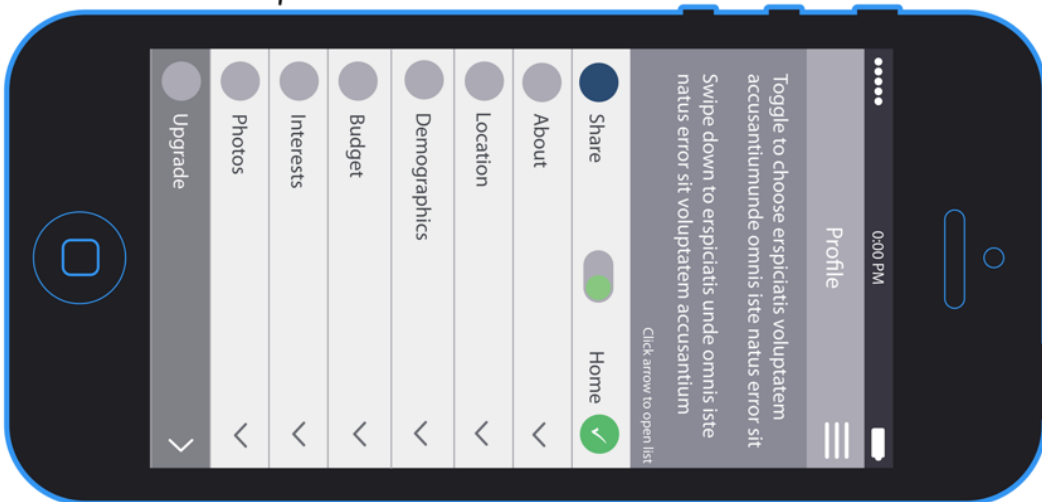
Welcome Page



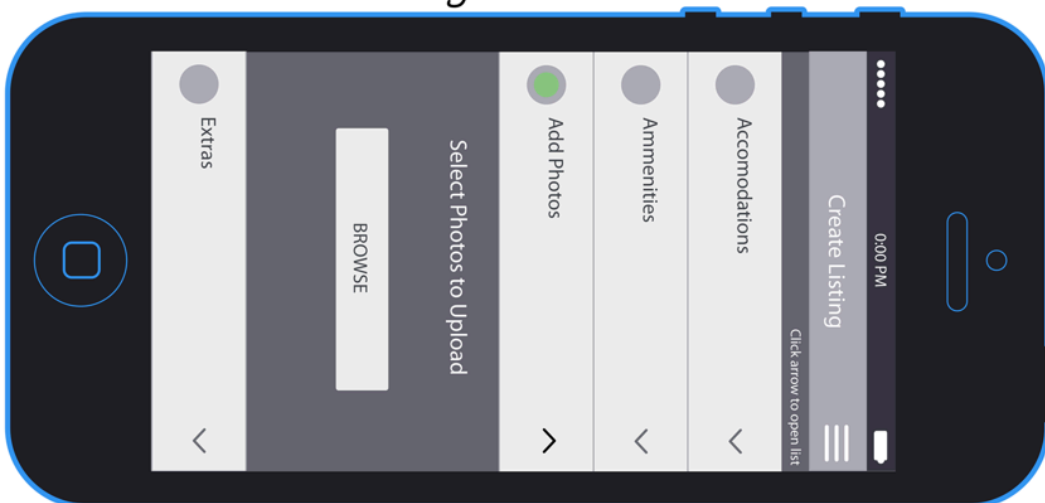
Dashboard



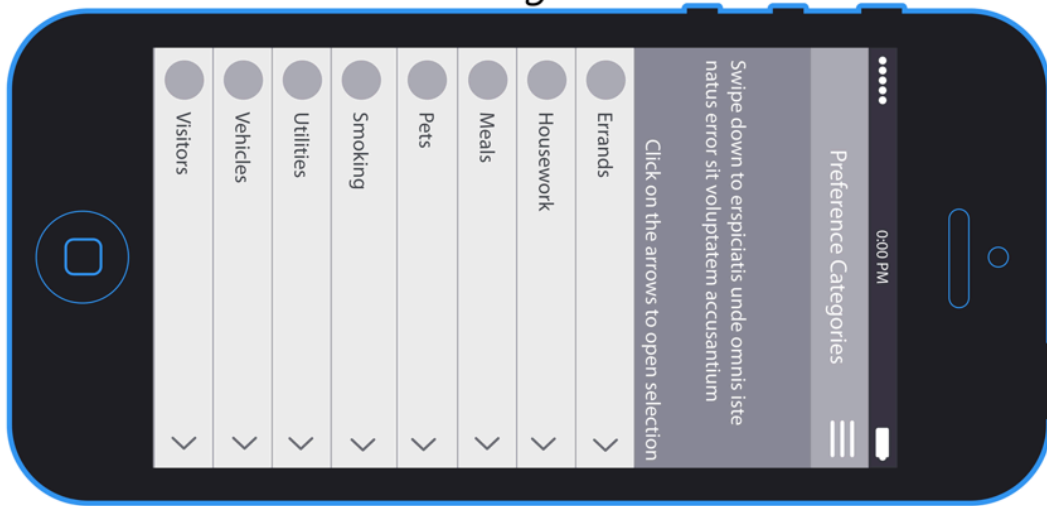
Set-up Profile



Create Listing



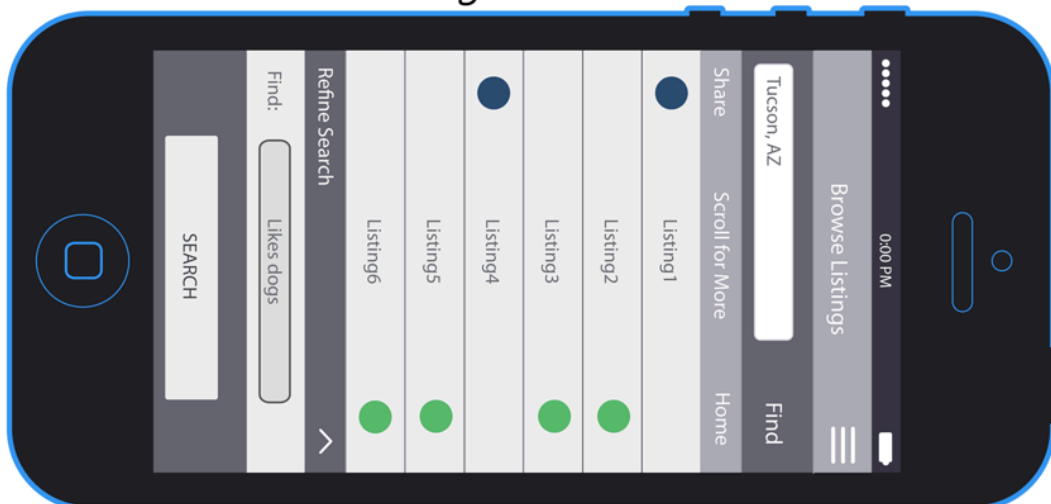
Preference Categories



Preference Selection (Housework)



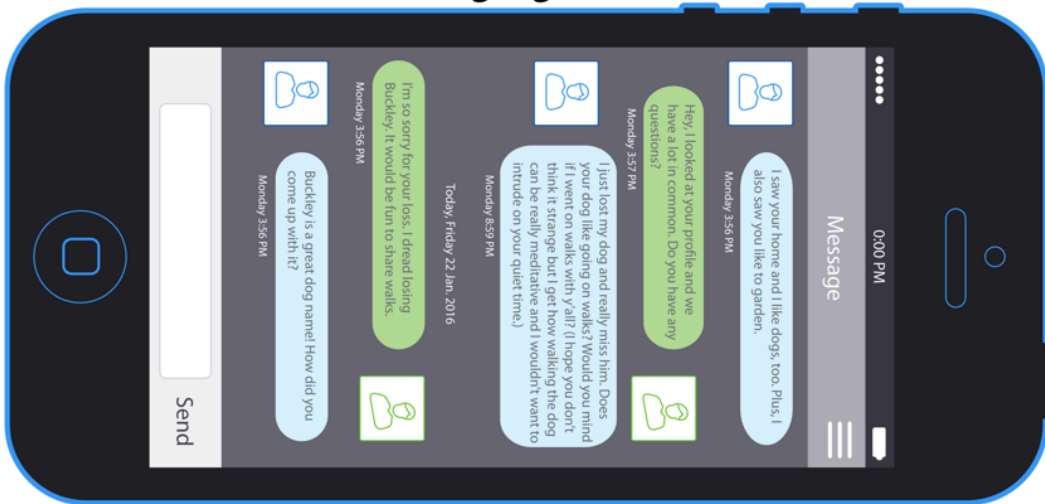
Browse Listings



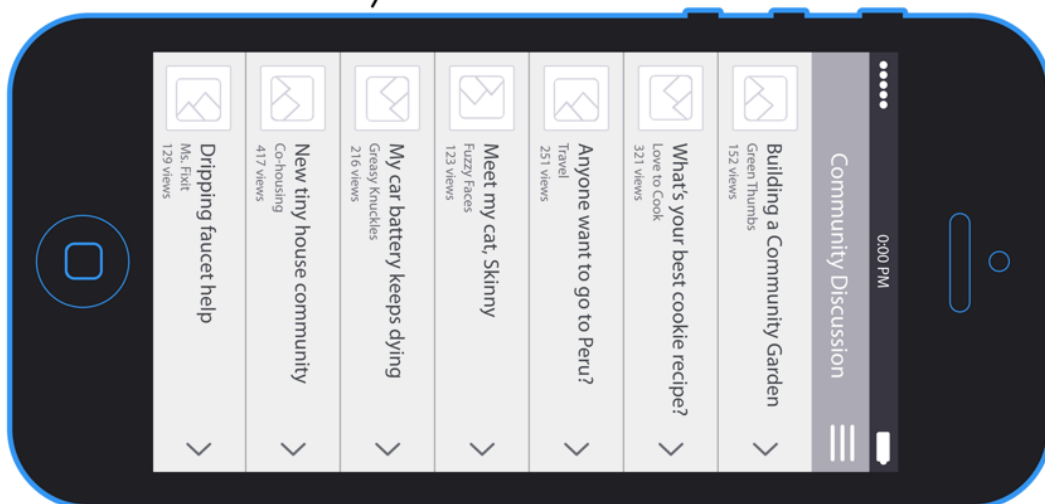
Search Results



Private messaging between users



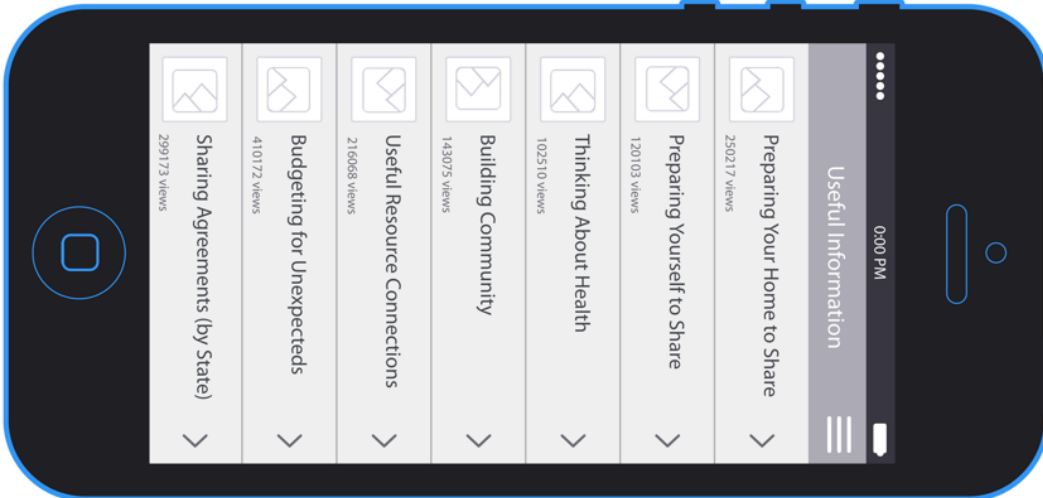
Community Forum



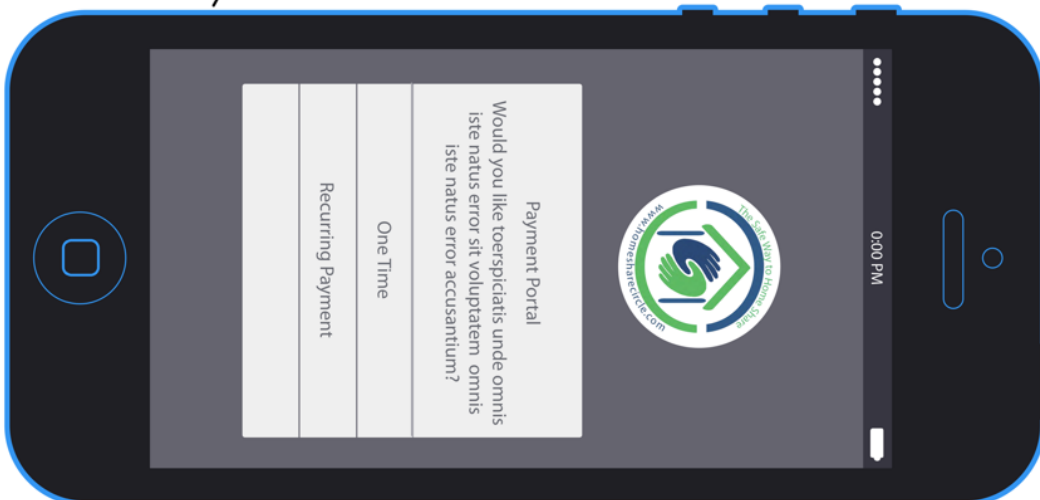
Community Topic Discussion



Added Value Content



Payment Portal

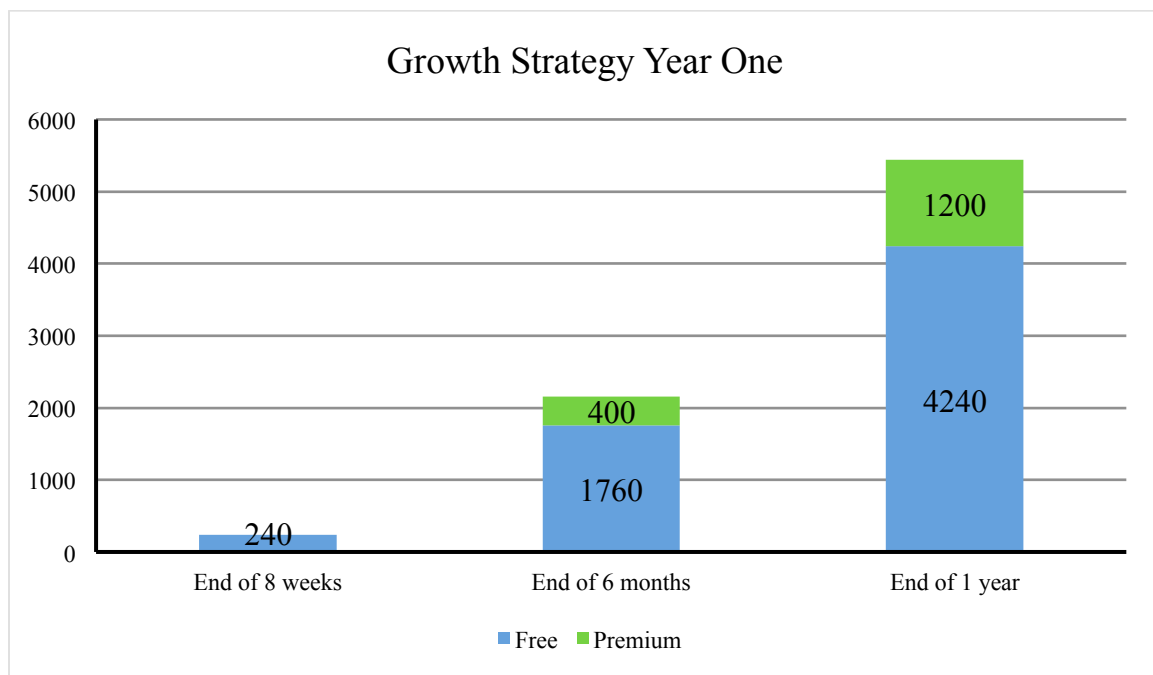


5. MARKETING & SALES

5.1 Growth Strategy

We are currently developing a proprietary interactive web-application platform and plan to launch in the first quarter of 2016. We will grow our company through expanding our sphere of influence. We'll start with in-person regional meetings and seek out influencers to develop regional buy-in. This model is similar to the early introductory model used by AirBnB, Uber, and Lyft. We're beginning in Tucson and Phoenix, AZ (due to the concentration of retirees) and expanding through the sun-belt states.

Our first 8-weeks' goal is an average of 30 free members per week. We've research strategic key markets in New Mexico, Texas, and Florida for a targeted expansion beginning with the third month post-launch. This expansion targets early adopters with projected increases in weekly free sign-ups to 120 per week and puts us on target for a conversion rate of 100 Premium members per month. At the 9 months' mark, we'll expand into key markets in California, covering the sun-belt and retirement states. Our goal by the end of year one is hosting informational meetings in key strategic markets nation-wide and converting 1200 members to paid Premium level by year end.



Social media will play a big role since women ages 50-70 are the largest demographic on Facebook and Pinterest. Further, we'll seek key partnerships with organizations and activities geared towards Baby Boomers.

5.2 Communication

Initially, we'll communicate with our customers by promoting informational parties (similar to Tupperware parties) and encourage participant buy-in. Women ages 50-70 are one of the largest demographics on both Facebook and Pinterest and we'll use social media as means of communication as well as traditional women-focused print media and Baby Boomer focused media (e.g. AARP).

5.3 Prospects

Our service addresses our customers' chief fears regarding aging— being alone and running out of resources. We provide a safe and easy way to address both of these concerns and will sell our service with that focus. We have plans to partner with Baby Boomer oriented organizations, activities, and services to expand our sphere of influence.

6. FINANCIAL PROJECTIONS

6.1 Profit & Loss Assumptions

Home Share Circle has four (4) revenue streams. The primary stream is a \$99 Premium membership fee. Once the software interface development is complete and running, there is minimal on-going cost. We've estimated the cost of customer acquisition at \$10 per customer which, combined with initial infrastructure costs (\$10/customer), puts those margins at 79%. The second stream is the background check upgrade Deluxe membership. That fee is \$39 and we will outsource that process for \$19 (50% margin with greater margins as we negotiate bulk discounts with expanded users). The third income stream is the 6% processing fee for handling monthly rent payments. This is also outsourced and costs 3% of the processed amount (50% margin initially which can be negotiated as user base grows) although there is also potential profit in float times. The final income stream is the initial verification of "free" memberships through a minimal credit then return on the subscribers' credit card or bank account, producing profit in float times. We are still researching the usefulness and margins of this revenue line.

The first year projected user base averages 100 paid Premium members per month (although most will be converted during the second half of the year). We anticipate tripling paid users each year and capturing a market share of almost 1/3 of 1% by the end of 2019. The discrepancy between the selling price and revenues reflects an estimated 5% of paid subscribers upgrading with background checks (\$39) and using the payment portal (at 6% fees) with initial margins of 50% on those products.

6.1.1 Profit & Loss - Projected

	Year 1		Year 2		Year 3	
Sales		\$123,000		\$372,000		\$1,118,000
Costs/Goods Sold		\$24,000		\$72,000		\$216,000
GROSS PROFIT		\$99,000		\$300,000		\$902,000
OPERATING EXPENSES						
Salary (Office & Overhead)	(¾ FTE)	\$24,000	(2 FTE)	\$75,000	(4 FTE)	\$150,000
Payroll (taxes, etc.)		\$5,000		\$15,000		\$30,000
Dedicated Server Space		\$10,000		\$20,000		\$20,000
Supplies (office & operation)		\$0		\$0		\$0
Repairs & Maintenance		\$0		\$0		\$0
Advertising		\$20,000		\$70,000		\$70,000
Car, delivery & travel		\$4,000		\$15,000		\$30,000
Accounting & legal		\$20,000		\$20,000		\$20,000
Rent		\$0		\$0		\$0
Telephone		\$0		\$1,200		\$1,200
Utilities		\$0		\$0		\$0
Insurance		\$1,200		\$2,400		\$4,800
Taxes (real estate, etc.)		\$0		\$0		\$0
Interest		\$0		\$0		\$0
Depreciation		\$0		\$0		\$0
Other expenses		\$0		\$0		\$0
TOTAL EXPENSES		\$84,200		\$218,600		\$326,000
NET PROFIT BEFORE TAXES		\$14,800		\$81,400		\$576,000
Income Taxes		\$1,377		\$16,303		\$102,080
NET PROFIT AFTER TAX		\$13,423		\$65,097		\$573,920
Owner Draw/Dividends		\$0		\$0		\$100,000
ADJUSTED TO RETAINED		\$13,433		\$65,097		\$373,920

6.2 Cash Flow Assumptions

Our assumptions are the same as with our Profit & Loss assumptions based on anticipated sales and market infiltration. Currently, we are not seeking traditional loans but are focusing on meeting our capital needs through either crowd-funding or investor buy-in.

6.2.1 Cash Flow (01/01/2016 to 12/31/2018) - Projected

	Pre-Startup EST	Year 1	Year 2	Year 3	Total Item EST
Cash on hand	\$3,000	\$-38,000	\$800	\$154,200	\$120,000
CASH RECEIPTS					
Cash Sales	\$0	\$123,000	\$372,000	\$1,118,000	\$1,613,000
Collections from CR Accounts	\$0	\$0	\$0	\$0	\$0
Loan/Cash Injection	\$0	\$0	\$0	\$0	\$0
TOTAL CASH RECEIPTS	\$0	\$123,000	\$372,000	\$1,118,000	\$1,613,000
TOTAL CASH AVAILABLE	\$3,000	\$85,000	\$372,800	\$1,272,000	\$1,733,000
CASH PAID OUT					
Purchases	\$0	\$0	\$0	\$0	\$0
Gross Wages	\$0	\$29,000	\$90,000	\$180,000	\$299,000
Dedicated Server Space	\$1,000	\$10,000	\$20,000	\$20,000	\$51,000
Supplies	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance	\$0	\$0	\$0	\$0	\$0
Advertising	\$20,000	\$20,000	\$70,000	\$70,000	\$180,000
Car, delivery & travel	\$0	\$4,000	\$15,000	\$30,000	\$49,000
Accounting & legal	\$20,000	\$20,000	\$20,000	\$20,000	\$80,000
Rent	\$0	\$0	\$0	\$0	\$0
Telephone	\$0	\$0	\$1,200	\$1,200	\$2,400
Utilities	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$1,200	\$2,400	\$4,800	\$8,400
Taxes (real estate, etc.)	\$0	\$0	\$0	\$0	\$0
Interest	\$0	\$0	\$0	\$0	\$0
Other expenses	\$0	\$0	\$0	\$0	\$0
SUBTOTAL	\$41,000	\$84,200	\$218,600	\$326,000	\$669,800
Loan principal payment	\$0	\$0	\$0	\$0	\$0
Capital purchase	\$0	\$0	\$0	\$0	\$0
Other startup costs	\$0	\$0	\$0	\$0	\$0
Reserve and/or Escrow	\$0	\$0	\$0	\$0	\$0
Others withdrawal	\$0	\$0	\$0	\$0	\$0
TOTAL CASH PAID OUT	\$41,000	\$84,200	\$218,600	\$326,000	\$669,800
CASH POSITION	\$-38,000	\$800	\$154,200	\$946,200	\$1,063,200

6.3 Balance Sheet

At this time, we do not have a Balance Sheet for our company because we've not yet opened for business and are still in the pre-launch stage.

6.4 Break-Even Milestones

Our break-even milestones are as follows:

- ✓ 1216 members covers initial start-up costs
- ✓ 849 new members per year covers anticipated yearly fixed costs
- ✓ 10,101 members breaks the 1 million revenue mark
- ✓ 50,506 members breaks the 5 million revenue mark
(representing only 0.36% of market share)