



LifeLoop

Business Plan

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I. Who We Are

A. The Company

LifeLoop, LLC is a business-to-business software-as-a-service company that has created a unique software application for senior living communities to optimize the lifestyle they provide their residents. Amy Johnson, Founder and CEO, leads the team in sales and business development. Alan Jarecki is the most recent addition as Director of Client Services, guiding our onboarding of new customers. Kent Johnson and Philip Lee have worked with software developers at Aviture and senior living industry leaders to help develop the product and oversee financials and general business operations. Working with the software development team at Aviture provides LifeLoop with access to over 80 developers, but the primary developers devoted to LifeLoop from the beginning are Wayne Eull and Heath Carranza. Being a part of Aviture's incubator, The Garage, has also provided us with mentorship from Jeff Hanson, John Pryor, and Mark Griffis.

B. Management Team

Amy Johnson is the Founder of LifeLoop. She began her career with Mutual of Omaha where she gained experience over eight years in several areas including human resources, sales, and management. Amy advanced to the Vice President of Sales at Mid-American Benefits where she focused on growing a block of business in the group health industry. Amy has a passion for creating a product that will make a difference in peoples lives. Her personal experience with several family members transitioning in to senior living communities motivated her to focus on creating a higher level of connection between communities, families, and residents.

Alan Jarecki joined LifeLoop as the Director of Client Services in September of this year, having spent the last 9 years in the healthcare industry, he brings extensive industry experience to the team. Four years ago he moved into the area of senior care. He began his healthcare career at the University of Nebraska Medical Center specializing in research. At UNMC, he and the Vice Chancellor of Research worked closely to develop new technologies, cures, and laboratory efficiencies. In 2010, Alan obtained a Masters Degree in Medical Group Administration/Health Care Administration from Nebraska Methodist University. Alan then moved into senior care as Chief Operations Officer at Good Shepherd Lutheran Homes, a senior living community located in Blair, NE, where he ran a community of over 140 residents and 200 employees. From there, Alan accepted a position as Chief Executive Officer at Blue Valley Lutheran Homes in Hebron, NE. At Blue Valley, he was responsible for two nursing homes and an Assisted Living community, managing the care of over 150 senior residents.

II. What We Do

A. Our Product

LifeLoop sells a cloud-based, access anywhere, software application to Senior Living Communities. Our customer is the community itself, which can be one small community alone or many communities under one corporate umbrella. They subscribe to access our software solution. In return, we provide them with a software solution that helps them attract and retain their own customers – residents and their families. We are targeting growing companies in a growing industry.

B. Our Users

Our software has three types of users: 1.) Community staff/admin.; 2) Family/Friend of resident; and, 3) Resident of community, who use the product differently. The Community user creates activity calendars and resident profiles. They take attendance at activities and share messages and photos with other staff, residents, and their families. They also manage maintenance and transportation requests. Our product presents the data as actionable information about their residents and their Lifestyle, or Life Enrichment, program.

The family user can access via desktop or mobile devices. The product gives them a secure portal into the community to send photos or messages to their loved one or the care staff, view the community calendar, sign up for events, make transportation or maintenance requests. It is designed to maintain and encourage high levels of family connection with the resident.

The resident user is provided with an extremely easy-to-use interactive community calendar where they can sign-up for events and view photos or messages. They can send messages to staff or family members as well as request rides or maintenance fixes.

C. Ongoing Development

There are many avenues available for improving the product and adding features that are consistently requested by customers. Our list of backlogged features is extensive and is derived from actual feedback from several customers. There are also many integration possibilities and adjacent markets such as home health care, long-term rehab facilities, etc.

One of our customers in Oregon sums it up pretty well:

I enjoy working and living in a culture of good communication, transparency and consistency. For me, LifeLoop offers just that: an amazingly simple and efficient way to connect residents, families and coworkers to each other, solve problems together, and share life's daily joys and challenges. Having a database of residents and employees in one single program from which we can manage activities, maintenance and transportation saves us a lot of time and effort.

—Lucie Flood, Wellness Director Avamere Communities.

II. Where We Are Now

A. Target Market

The target market is assisted living, independent living, and memory care senior living communities. There are approximately 35,000 of these communities in the United States. We will be targeting 17,000 based on factors we have identified to indicate possible prospects. These factors include identifying if they are private pay communities and if they are profitable. The 3 year financial projections target 630 communities by 2018.

B. Customers

Currently, we have approximately \$5,000 in monthly recurring revenue (MMR) based on 6 communities and have secured contracts or verbal agreements to reach approximately \$15,000-20,000 MMR within the next few months. One customer, Dial Retirement Communities, owns 12 communities in NE, IA, and KS with plans to build more. 5 of their communities are currently using LifeLoop. Another customer owns and operates 40 communities; 3 of their Portland, OR communities are currently using LifeLoop. Several other communities in NE have committed to starting in Jan. 2016. We are currently used in Memory Care, Assisted-Living, and Independent Living communities.

C. Sales and Marketing

Our sales and marketing strategy to this point has been:

- Trade shows – we have been to 6 in 2015 with a targeted list for 2016.
- Warm lead calling – based on contacts made through trade shows and industry connections as well as from inquiries on our website.
- Strategic relationships – partnering with related companies who have established themselves in the industry. Three current opportunities include a wi-fi provider, a group buying organization, and the primary supplier of technology hardware designed for the elderly.
- Active role in social media – including Facebook, twitter, and our marketing website.
- Industry publications – we have an article that will be published by Senior Housing Business.

D. Primary Competitors

1. Caremerge, www.caremerge.com, is focused primarily on medical records and charting. There is a small social component. Their strength lies in medical record tracking. Their weakness is an overly complex product and lack of focus on lifestyle. It appears that they may be focusing their efforts in the hospital space moving forward.
2. Touchtown, www.touchtown.com, is a resident-based software (as opposed to staff- or family-based) that provides tablets to residents to use their software as a scheduling center that is interactive with the community. Adoption of their product is limited in scope because of relying on resident use.

IV. Where We Are Going

A. Customer Problem

Overwhelmed staff and disconnected family members lead to confusion, guilt, missed warning signs, and frustration. It's simply the nature of the senior living industry and is currently managed through email, phone calls, and filed away paperwork. Inefficient processes and lack of communication tools take away from providing a resident centered culture, which ultimately leads to disengaged residents.

B. Competitive Advantage

We believe that if LifeLoop narrowly focuses on resident activities and communication with the advocate and family, we will be valuably different than the competition, which tries to do too much, or may not focus on the resident at all. We will do what we do very well, instead of being a conglomeration of mediocre features, many of which the customers already have covered. Primarily focused software for activity and event related coordination and communication is not widely offered in the market place. We will offer a single solution to the multiple needs identified above at a very low monthly cost. We will also offer value because the implementation will be easier, reducing hesitation from prospective customers.

Once implemented, we will remain flexible in development by making additional improvements that will parallel our customer's needs. The customer acquisition process will not be as onerous to the customers as it would with bulkier software packages and this should allow for quicker and more agile growth. Beyond our initial target customers the software will be scalability and adaptable to many other market outside of senior living communities making it easy to diversify and grow the company. We will continue to grow as we have started, by listening to the customer and providing the service and solutions we know they need, not by telling them what we think they need. And we will continue forward with our passion for the industry and the desire to improve lives.

Pricing-Value-ROI

The average cost for rent in a facility is \$2000-\$5000 per resident per month. The cost varies depending on the amenities provided by the facility. The below illustration provides the median cost per month by state to give a more specific idea of where cost falls by region. Other industry software services range from \$6- \$15/resident/month. We charge \$8-\$12 per resident per month to the facility, technically, the software would have to increase the quality of the resident's experience in the community by 0.24% to 1.5%. We don't believe in setting the bar low, but it does provide a good contrast that compares the value provided by the product with its cost to the customer. Also, it is clear to see that the monthly cost for service is minimal when compared to the overall resident fees.

The average community with 100 residents will be charged \$800/month for our software. With an average resident rent of \$3000 per resident (\$300,000 total revenue per month). LifeLoop needs only to reduce annual resident turnover by 0.26% in the average community, this is less than \$0.27/per day. With up to 50% turnover due to the nature of the industry this is a major game changing opportunity. Ruling out all other ROI generation from LifeLoop and focusing only on resident turnover, using similar size and cost estimates in the above example, LifeLoop would need only to extend the stay of each residents by 1 day. Another way to look at this on an individual bases would be to provide the opportunity to keep 1 room full for just 3.2 extra months per year (or sign up 1 extra customer 3.2 months earlier).

Financial Summary

	2015	2016	2017	2018	2019	2020
Communities	19	110	350	750	1550	2630
Residents	1351	11,000	35,000	75,000	155,000	263,000
Monthly On-boarding		7.5	20	33	66	90
Revenue	\$37,661	\$561,600	\$2,313,600	\$5,225,600	\$10,921,600	\$19,785,600
Expenses	\$226,706	\$928,638	\$2,107,649	\$3,865,275	\$6,193,148	\$8,546,312
Net	-\$189,045	-\$367,038	\$205,951	\$1,360,325	\$4,728,452	\$11,239,288