FREEDOM CREATORS, INC.

FIVE YEAR BUSINESS PLAN

FREEDOMWAND®™

DEBORAH TACOMA

President

DIANA KASZA

Treasurer

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Executive Summary

Established in 2007, Freedom Creators, Inc. is positioned for approximately $3.7 million of revenue over the next five years selling the uniquely designed toilet aid the FreedomWand®™. The FreedomWand®™ is a multi-length, multi-purpose personal hygiene device. Company founder, Deborah Tacoma, invented and perfected this product design which now makes it the most versatile, cost effective personal hygiene product on the market.

The Problem & Solution - Designing the FreedomWand®™ Toilet Aid

Deborah Tacoma, Founder & President

“It was a day I’ll never forget. A crippling car accident in June 2006 changed the course of my life forever.

I was discharged from the hospital a week after the accident with a broken back. It was only then that I began to experience the humiliation and frustration of personal hygiene by care givers, all women, having to overcome countless obstacles and difficulties. I was restricted to the house for weeks due to unpredictable bathroom visits and no adequate personal hygiene aid. The occupational therapists had little to offer that was either convenient or sanitary. To regain my independence and dignity, I began creating my own multi-purpose tool. The FreedomWand®™ is the result of my struggle in a turtle shell for 5 months.

Not only did that car accident motivate my cognitive creativity, but other areas of my life were affected as well. Though I ached for independence and freedom from the captivity of my house, God used my injury to teach me just how much I needed Him. As an individual I tried to manage life on my own. But during the time of struggle and stillness, God gave me opportunity to learn humility and gain understanding for others experiencing physical challenges. Offering the FreedomWand®™ to others has been a significant part of my spiritual journey.

The FreedomWand®™ returns both independence and dignity in the personal hygiene process. It gives individuals and their care givers a freedom to live, work, and play in a way they couldn’t have imagined before.”

The vision for Freedom Creators Inc. is to assist people of all ages and sizes who experience limited range of motion to regain their independence and dignity; physically, spiritually, emotionally and mentally. It is our commitment to provide the FreedomWand®™ device to an estimated 44.4 million American caregivers (21% of the adult population) and their patients. It is a well-known fact the majority of care givers are women.

The FreedomWand®™ is a solution for the caregivers in the hospitals, rehab centers, and in home care:

Patient care:

 Increase the efficiency spent in answering call lights

 Increasing the patient outcome

 maintain patient’s respect, dignity and self-worth as they are able to wipe their own bottoms

 Create an encouraging environment & aid in recovery time

Staffing:

 Better relationship with patient by being an encourager of independence and not an enabler

 Reduce cost by focusing on more important care needs

 Respect patient privacy

 Reduce the number and type of lifts which assist in the reduction of work comp back related claims

 Reduce re-admissions due to UTI or skin breakdowns

The recovery stages for toileting independence are standard from procedure to procedure for patients with different health conditions/surgeries or range of motion issues. The next best toileting practice would be to issue the FreedomWand®™ to assist their caregiver and themselves on day one of rehabilitation.

The standard use of the FreedomWand®™ in the hospital recovery stages will further drive the demand in the retail chain for the superior FreedomWand®™ toilet aid. The retail chain channel consists of; Home Medical Equipment companies (HME), pharmacies, box stores (i.e. Walmart’s, Meijer’s, etc.) online retailers, and indirectly increase direct website sales.

In addition, according to the US Central Intelligence Agency, by 2050, there will be a 146% increase in the population over 65. This aging population further adds to the demand for the FreedomWand®™ to maintain their freedom, respect and dignity. Currently, walkers and crutches are issued as a standard practice when there is weight bearing restrictions. It is time for the multi-length, multi-function FreedomWand®™ hygiene device to be prescribed for those with twisting or bending limitation! Women and their families would rather assist their loved ones with their socks than to wipe their bottom!!

FreedomWand®™ has a durable superior design with versatility over the main competitors. It is Deborah Tacoma, founder, who realized there was a lack of passion by the competitors to address the education and awareness for the need of a functional toilet/hygiene aid. Freedom Creators, Inc. understands how essential it is to create the awareness of the need, gather the toileting data and the educational need about the next best care practice. The exceptional FreedomWand®™ toileting aid is the solution.

Freedom Creators, Inc., a 100% self-funded women owned company, shipped its first

FreedomWand®™ in May 2008. Freedom Creators Inc.’s sales in 2011-2014 had gone from $60K

–$90 respectively. 2015 sales are on track for $$120K a 29% increase over 2014 all while continuing to increase the product awareness and education as well as building a sales team.

Manufacturing has the capacity to produce 48,000 units per month with the current tooling. Ess-Tec, Inc., a USA company, is based in Holland, Michigan. We are proud to be a 100% USA made product. There are future plans to reduce the cost with a multi cavity tool by $2.50 per unit.

Fulfilment is currently out sourced and has the capabilities for current sales volume as well as the projections for 2015-2016 volumes. Ess-Tec, Inc. will assist in the future fulfilment role for any purchase orders over 4 cases.

Freedom Creators, Inc. has position itself for the next level of growth with an experienced Board of

Directors and management team.

Forecasted revenue in 2016 is $239,925 increasing to $1,161,788 by 2020. The sales team will continue to ramp their offerings to the hospitals as an essential toileting aid for patients. The next best care practice for assisting women and their families in a time of need for loved ones, aging parents and the women in the health care industry.

To succeed with the five (5) year objectives the following goals are:

 Sales Team is fully implemented by end of 2016

 Education & awareness plan for the next best toileting practice in hospitals

 Secure an insurance reimbursement code for the FreedomWand®™

 Average Gross Margin 61% over 5 years projected

 Reduce product cost by implementing the multi cavity tooling in 2020

 Achieve Admin & Selling cost of 38% by 2018, 31% in 2020

1. Analysis of the Environment

An increase in consumer driven healthcare, aging demographics and expanded access to healthcare are among the key factors contributing to strong market growth.

Hospital setting/staff begins the recovery process by assisting and encouraging patients to reach their independence, restoring their self-efficiencies while maintaining their dignity and self-respect. The following procedures or conditions, whether the patient is young or old, large or small are some of the main reasons why purchasing the FreedomWand®™ is essential to aid in the recovery.

 Hip Replacements

 Spinal Fusions

 Back Surgeries

 Rotator Cuff

 Arthritis

 Multiple Sclerosis

 Abdominal Surgery

 Carpel Tunnel

 Diabetes

 Birth abnormalities

Little People community who are born with limited mobility and reach love the FreedomWand®™

for many functions it assist them with in their daily lives.

The obese community is an increasing concern. The FreedomWand®™ is a vital tool for those individuals due to their limited range of motion.

Aging population: According to the US Central Intelligence Agency, by 2050, there will be a 146% increase in the population over 65. The aging population will further create the demand for the FreedomWand®™ to maintain the aging individual’s freedom, respect and dignity. This increase will be felt in the hospital, assisted living as well as in home care environments. The FreedomWand®™ is a device that will assist women and their families in these times of needs and allow the loved ones their independence.

Per the American Hospital Association there is 5,700 USA hospitals with total bed count of

920,829 averaging 161.5 beds per hospital. The hospital occupancy rate is 76.3%. The average hospital stay is 4.8 days per patient. The # of times a bed turns per year is 76 times equals 12,281 per hospital annually.

 161.5 bed/hospital

 12,281 (161.5 X 76 X 5,700) turns per hospital

 9,370 average beds available in one year X 76.3% occupancy rate (12,281 x 76.3%)

 937 FreedomWand®™ friendly beds per hospital per year, estimated 10%

Although the general statistics shows a huge potential of $64 million annually (937 X 5,700 X 49.99 (unit sales price), the key factors in the next five years will be creating the awareness, education, gathering toileting data as well as implementing FreedomWand®™ as the next best care practice in toileting. The annual total of end users having rotator cuff surgeries, new hips and spinal fusions procedures is 1,397,000.

1.1 Social

Today, more than ever, citizens, caregivers and institutions alike are facing increased demands to control costs and address patient safety issues along with increasing patient outcomes and satisfaction. Some of the areas medical specialties are focusing on are to reduce infections, staff lifts, patient satisfaction and re-admittance. The reduction of nursing care, nurse to patient ratio, patient independence and stability upon hospital stay release are all real issues that are being addressed. All of these factors affect women and their families. The FreedomWand®™ is specially designed to assist in many of these areas and support their family members facing limited motion challenges.

1.2 Political

There are more political pressures in the healthcare industry, with the current Obama care plan, than in the early 1960’s when Medicare was established. Healthcare delivery costs continue to climb at an unprecedented rate of over 12% per year and more people are becoming both under and uninsured. The need to remain at home or return home sooner or stay home as long as possible is fast becoming a reality, not always a desire by the patient in need. The FreedomWand®™ is a prime multi-purpose hygiene/toileting aid for the market to assist with these issues and concerns and to remain independent.

1.3 Economic

Major Findings for National Health Expenditures: 2012-2022

 Health spending is projected to grow at an average rate of 5.8 percent from 2012-2022, 1.0 percentage point faster than expected average annual growth in the Gross Domestic Product (GDP).

 Health spending growth through 2013 is expected to remain just under 4.0 percent due to the sluggish economic recovery, continued increases in cost-sharing requirements for the privately insured and low growth for Medicare and Medicaid.

 Improving economic conditions, the Affordable Care Act (ACA) coverage expansions, and the aging of the population, drive faster projected growth in health spending in 2014 and beyond. Expected growth for 2014 is 6.1 percent, as 11 million Americans are projected to gain health insurance coverage, predominantly through either Medicaid or the Health Insurance Marketplaces.

 Average annual projected growth of 6.2 percent per year is projected for 2015 through 2022, largely as a result of the continued implementation of the ACA coverage expansions, faster projected economic growth, the aging of the population, and the end of the sequester. While projected growth is faster compared to recent experience, it is still slower than the growth experienced over the longer-term history.

 By 2022, the ACA is projected to reduce the number of uninsured people by 30 million, add approximately 0.1 percentage-point to average annual health spending growth over the full

projection period, and increase cumulative health spending by roughly $621 billion.

 Healthcare spending is projected to be 19.9 percent of GDP by 2022.

The rising cost of health care is always in the news and on the minds of every woman and their families. The healthcare costs continue to grow faster than the national income despite research indicators that we get good value for the increased spending. Some policy makers and health analysts question whether governments and private employers can continue to finance the level of care that they do, today.

The Center for Medicare and Medicaid Services (CMS) released projected health care expenditures through the 2015 period. Total health expenditures to be approx. $2 trillion in 2009, and are projected to rise to over $4 trillion by 2015. Per person health spending is $7,110 this year and is projected to increase to $12,320 by the end of the period. Health spending continues to increase much faster than the overall economy (i.e., gross domestic product, or GDP). Since 1970, health care spending has grown at an average annual rate of 9.9%, or about 2.5 percentage points faster than GDP. In recent decades, the growth rates for health spending and GDP have slowed, but health spending growth remains consistently above GDP growth. As a share of the economy, health care has risen from 7.2% of GDP in 1965 to over 16% of GDP today, and it is projected to be 20% of GDP just 10 years from now.

Freedom Creators, Inc. is a vital toileting/hygiene aid for the hospital, rehab, assisted living and in home care environment. The FreedomWand®™ if used for just one month, 5 times a day is a cost of only .33/per use, if used 2 months, 5 times a day cost is only 16.5 cents. The FreedomWand®™ is a valuable tool that has a small price to pay, for regaining independence, self-respect and functionality. The cost is a small price to pay for assisting women and their families balance work commitment, time and manage the care of their loved ones.

2. Market Landscape

Per the information in analysis of the environment section the total occupied beds in the USA are

920,829 beds. It is equally important to look at the number of procedures done that would have a diagnosis of limited twisting or bending, which is an annual number of 1,397,000. Or you can look at

the number of obese patients or those with Arthritis or Diabetes etc. This potential customer

marketplace is high with thousands of family members not being able to wipe their own bottoms and being high on the list of subjects uncomfortable to talk about. There are other toilet aids BUT WE

ARE THE ONLY one that is multi length, multi task and obese friendly. The FreedomWand®™ is

the only USA made toilet/hygiene aid on the market.

2.1 External Customer Analysis

Freedom Creators Inc. has been conducting research and education throughout 2007 to 2015. Toileting data has been collected through the end users, occupational, and physical therapists. Who have sent us feedback as a result of using the FreedomWand®™ as it is designed today. Due to that feedback the FreedomWand®™ has undergone various design changes to strengthen the gripper’s flexibility, functionality of the button for a stronger fit and a better grade of plastic for

durability. Likewise, the feedback has provided a better understanding of the medical industry’s perspective on toileting issues.

The lack of awareness in both the medical profession and in home care has created a gap around the uncomfortable topic as well as finding the perfect solution. The next best care practice for toileting is the FreedomWand®™. The feedback over the years has also unfolded the dynamics of the competitors’ products as well, making it very apparent the FreedomWand®™ and the passion of Deborah Tacoma is out shining the others in many, many areas.

2.1.1 Technical Support

Ess-Tec, Inc. has been a continuing and innovative manufacturing support and manufacturing partner throughout the life of the FreedomWand®™. It is a partnership support that brings a great sense of gratitude, loyalty and appreciation for our success to date. Ess-Tec, Inc. will continue to provide design and technical support to Freedom Creators, Inc.

Ess-Tec, Inc. has been very accommodating and reliable for any size order submitted by Freedom Creators, Inc. The response time has been less than two days with product delivery to our office. Ess-Tec, Inc. is both responsive by phone, on site meetings and design consultation.

2.1.2 Social Networking

National and state occupational therapists, physical therapists, nursing and orthopaedic associations have limited access/availability for blogging and education on new products. As part of our marketing plan we are focusing on building or joining online communities of people who share interests and/or activities in the medical industry to create the education and awareness on toileting. It is planned to enhance this avenue and the impact to be part of the associations and have online assess. If the assess is not available as a member then advertising in state-wide association websites will be entertained. Our current marketing staff member is exploring Facebook, twitter, linked in, emails, and additional blog opportunities to expand our marketing reach and associations.

2.1.3 Continuing Education

The majority of our education is currently being handled through face to face in-services and webinars with occupational and physical therapists. Since 2013, a hospital in Missouri has provided excellent feedback from their staff on how they are being used and in what departments and situations the FreedomWand®™ has been very useful. How they integrate the FreedomWand®™ into their patient care and the recovery process has been very informative.

As part of the marketing plan, other areas implemented are joining the speaker bureau, participating in toilet data studies, attending Orthopaedic, rehab and case manager trade shows and conferences. There will be further exploration of how the use of our product in the hospital environment beyond basic toileting and how to have the webinars approved for CE credits for the therapists.

Associations/Memberships:

 COTA, Canadian Occupational Therapy Association

 Little People Association

 Senior Marketing Groups of the Lakeshore and Muskegon areas

 MS Society

 Multiple US State Occupational Therapy Associations

 MS Wheelchair Michigan

2.1.4 Product

Product Update

The FreedomWand®™ is the only toilet/hygiene aid USA and Michigan made. A fact we are very proud of. We have continued to improve the FreedomWand®™ with these enhancements:

 Improved materials for the plastic grippers providing more flexibility

 Designing additional grippers the FreedomWand®™ kit now offers 4 grippers instead of 3.

 Improved material for the FreedomWand®™ handle for added strength

 Re-designed the functionality of the button for a stronger fit and easier release

 FreedomWand®™ holds a USA Patent and trademarked

The design and technology has classified the FreedomWand®™ as the best toilet/hygiene aid on the market. The company product line will eventually grow to replace the hip kit.



Constant customer care outcomes and improvements

Nurses and care givers are busier than they have ever been, with increased focus on improved outcomes, reduced hospital stays, and all with reduced staff. In addition, the increase in the older baby boomer population reaching retirement age leads to more demand for a self-serving assistive aid to maintain independence, faster and longer than before.

Primary driving force for the purchase of the Freedom Wand

The end users are purchasing the FreedomWand®™ so they can be independent. This independence reduces their stress level and greatly increases their self-worth and dignity in handling their own toileting and grooming needs.

The hospitals purchase the FreedomWand®™ because it assists with: Patient care:

 Increase the efficiency spent in answering call lights

 Increasing the patient outcome

 Maintain patient’s respect, dignity and self-worth as they are able to wipe their own bottoms

 Create an encouraging environment & aid in recovery time

Staffing:

 Better relationship with patient by being an encourager and not an enabler

 Reduce cost by focusing on more important care needs

 Respect patient privacy

 Reduce the number and type of lifts which assist in the reduction of work comp back related claims

 Reduce re-admissions due to UTI or skin breakdowns

Overall greater ROI to the hospital and encourage the patient to become independent quicker which is the overall goal.

Annual volumes for a toilet aid in the hospital setting

This is an area that is hard to answer since in the past the toilet aids on the market have not been well accepted due to inferior functionality. In addition, using them in the hospital area has not been done before because the stress and embarrassment of the patient has not been addressed. This creates an opportunity to bring this awareness of the gap in the hospitals to the surface. Our current customers as well as occupational and physical therapist’s feedback confirm this gap. The superior FreedomWand®™ can close this gap and become the next best care toileting practice! The FreedomWand®™ is a tool that benefits all women and their families as well as the care givers.

Future products developments planned:

 Add a hook feature - assist with pulling up pants and/or securing buttons on clothes

 Add a shoehorn attachment

 Create a wand with a larger head to hold larger items

 Creating different size kits (i.e. short version, extra length)

 Multi-Use stickers/colours depicting where to use them (i.e. toilet, sink, etc.)

 Deluxe kits with the extension and the strap

Fastest growing expense

 Implementing the sales and marketing team as well as support staff

 Brand recognition

 In-service/sales kits, education & training material

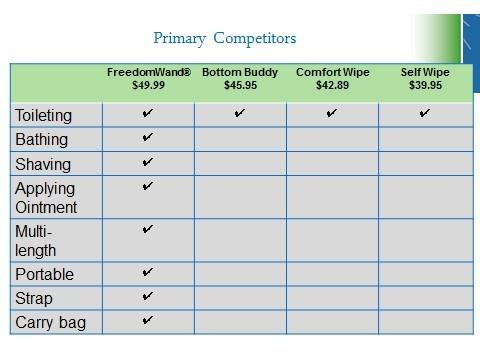
 Travel cost

 SEO/Website Integration

 Trade Show/Conference exhibiting

2.2 Competition

Freedom Creators, Inc. is the pioneer in changing the way the world understands the need for a superior toilet aid! The FreedomWand®™ is $49.99 with a MAP policy of $43.99.



3. Internal Analysis

As of April 2014, Freedom Creators, Inc. has made all the design updates creating a

FreedomWand®™ that is at its peak performance for the ultimate toilet/hygiene aid experience.

Our manufacturing facility is designed with the appropriate machinery and workflow processes to accommodate both large and small manufacturing orders in the most proficient manner. The current

tooling will produce up to 48,000 units per month. The future plan is for a multi cavity tool. This

multi cavity tool will produce 4 times the units as well as reduce our cost per piece by $2.50. There are no plans to produce the FreedomWand®™ overseas. In a recent statement by Gentex, Inc. a Zeeland manufacturing company, they are refusing to get tooling abroad due to poor quality and inconsistency. This supports Deborah Tacoma’s, President of Freedom Creators, Inc., decision to keep tooling and manufacturing local, thus, keeping it a USA made product.

3.1 Mission Statement

To promote freedom by providing increased dignity and independence to those with reach limitations by using the FreedomWand®™.

Our vision is to assist as many people as possible regain their independence and dignity; physically, spiritually, emotionally or mentally. Our commitment is to provide exceptional customer service to those we serve through awareness and education.

3.2 Management and Staff

Beginning in March 2015, the combined expertise and knowledge of our Board of Directors, Advisory Board, management team, and sales and marketing partnerships has been fully engaged. The team possess the necessary skill sets in R & D, manufacturing, sales, marketing, business development and strategy.

Management Team:

 Deborah Tacoma, President

 Diana Kasza, Accountant

 James Davis, VP of Ess-Tec, Inc. Manufacturing

 Eberly Fulfilment LLC, Fulfilment

 Marketing Staff & Admin Assistance to sales team

 Megan Zinger, Social Media Director/Designer

3.3 Partners

Ess-Tec, Inc. is the manufacturing partner in creating the FreedomWand®™. Their current capacity is 48,000 units per month with the current cavity tool. They are primed to expand to additional production with the implementation of the multi-cavity tool. Ess-Tec, Inc. will serve as an additional fulfilment resource for large PO (s) over 4 cases in the future, projected in 2017-18.

Simply Counted Business Services, Inc. provides daily accounting functions. As well as monthly compilation of financial statements, cash flow management, budgeting and consulting performed by Diana Kasza, Accredited Business Accountant.

Eberly Fulfilment LLC has partnered with Freedom Creators, Inc., for fulfilling orders as well as monitoring inventory. Fulfilment source currently in place will sustain the volumes in 2014-2017.

3.4 Performance Objectives

2015- 2016:

 Form partnership and relationship with directors of hospitals and rehab centres for the implementation of the “FreedomWand®™ as being the “Next Best Care Practice”

 Continue building our sales team and secure a sales consultant

 Webinars with recommender: occupational and physical therapist

 Continued follow up with trade show connections

 Enhance the Marketing plan, SEO, Website

 Complete Advisory Board

4. SWOT Analysis

|  |  |
| --- | --- |
| Strength (Internal) | Weaknesses (Internal) |
| • Improved product offering  • Manufacturing capabilities  • Geographical location  • Potential of large strategic partner  • USA made  • Women Owned Business | • Limited sales team force  • Newly formed strategic partner |
| Opportunities (External) | Threats (External) |
| • Best personal hygiene device  • No real competition  • Product development and add on’s  • No definitive leader in industry  • Increased need with baby boomers  • Healthcare Reform  • Increasing market segment growth | • Healthcare reform transition  • Approach larger strategic partners positioned  • Potential of knock off |

4.1 Opportunities

1. Selling directly to hospitals to meet their price point to supply their patients with the “FreedomWand®™ tool as the next best care practice to further supporting women and their families recovering from limited range of motion.

2. Currently professional social networking sites are not widely used by healthcare professionals; mainly due to the insufficient and rather antiquated models currently offered at the national and state levels through associations. The common complaint regarding social networking sites for

professionals is that the current offerings provide little value in return for the time spent on the sites. Constructing or joining a social networking platform that sufficiently informs the end user, yet gives something of value back to its members both professionally and personally. This offers a valuable opportunity for us to gain valuable mindshare within the marketplace with social networking, to educate and bridge the gap.

5. Fundamental Hospital-to-Market Strategy

The hospital channel strategy will expand Freedom Creators, Inc. to the next growth level by serving as the next best care practice in toileting/hygiene for women and their families experiencing and/or recovering with limited range of motion.

5.1 Supply Strategies

 Ess-Tec Inc, Manufacturer, in Holland, Michigan - manufactures the FreedomWand®™

o 3 main components; Head, Handle and Extension.

 Coastal Container supplies our shipping boxes

 MPS Packaging Company supplies our product boxes.

 Eberly Fulfilment handles fulfilment and monitoring inventory

5.2 Demand Strategies

2014-2015:

 Increasing the end user demand by optimising our website presence

~~~~ Webinars

 Attend Trade Show/Conferences

 Add sales members & form partnerships

 Brand awareness: (Marketing Mascot, Freedom Friendly) to promote, educate and grow

5.3 Positioning Strategies

Freedom Creators, Inc. will position the company as a patient centric, customer focused organization with its primary focus on enhancing innovative features to the FreedomWand®™. Pioneering the awareness and education aimed at improving the well-being of women and their families with the FreedomWand®™ toilet/hygiene device.

Secondly, Freedom Creators Inc. long term strategy is to position itself for acquisition by the year

2020.

5.4 Competitive Strategies

1. Partner with a prominent industry player to promote strong brand recognition.

2. Develop innovative features with our primary focus being on those that assist individuals to remain active and independent improving their self-respect and dignity.

3. Manufacturer the highest quality products, at the lowest possible cost and provide superior customer service, all while keeping it USA made.

4. Position the FreedomWand®™ product as the superior toilet/hygiene aid on the market.

6. Marketing Strategies

Freedom Creators Inc. continues to build and grow our brand recognition and product awareness; it is mission critical to the short and long term success of the company to assist as many individuals and families to maintain their independence and dignity in a time of need. Like many small companies, we are faced with branding both the Company and Product. It is crucial that we continue to both develop and precisely construct creative messaging that is uniquely communicated through various mediums, such as; printed materials, website, press releases, artefacts (slides), and training materials, etc.

We are consistent with email campaigns, twitter, Facebook and blogging campaigns to deliver our message

The marketing and brand strategy has been established with social media presence within the professional medical network.

We have implemented in-services with Occupational and Physical Therapists around the FreedomWand®™ educating them on the next best care practice and offering demo kits and materials. Monitoring the results generated by trade show attendance as well as the feedback from the webinars.

Sales staff continue to market to the Occupational Therapists as well as increase our attention to the

Physical Therapist, Case Managers, Directors of Hospitals, Nursing Directors and Rehab

Specialists.

6.1 Marketing/PR Execution

1. Maintain and enhance professional content on our website with details about us, our products, and pilot study data on how we may assist the hospitals with their ROI. .

2. The Next Best Care Practice Toileting Campaign

3. Attend 10 State Association Conferences

4. Rehab Conference

5. AOTA Conference

6. Nursing, Orthopedic, MI OTA, MI PT Conference

7. Attend ILLOTA Conference/Cleveland Clinic

7. Sales Top Line Objectives/Execution

The overall goal of the sales plan is to establish Freedom Creators, Inc. and the FreedomWand®™

as the market leader within the next five (5) years.

7.1 Sales Execution

The keys to obtaining this goal would be to accomplish the following:

 Penetrate the hospital channel creating the demand to drive the retail market

 Develop innovative features that advance the independence of people including additions on how the FreedomWand®™ may be used.

 Leverage all sales channels to optimize lead generation, such as; strategic partners, direct emailing solicitation and exhibiting at state, regional, and national trade show/conferences

7.2 Products / Price

The FreedomWand®™ pricing model is as follows: Retail Distributor 27.50

Drop Ship Distributor 27.50 + Drop Ship Fee $4

Direct Sales (End User) 49.99

Hospital Sales 35.00 (Discount Volumes Available)

Freedom Creators, Inc. is targeting an average Gross Profit Margin of 61% over the 5 year projected period.

7.3 Channels

 CT3 – Retail distributor

 CT4 – Drop Ship type distributor

 CT5 – End user purchaser

 CT6 – Referral sources such as OT’s, PT’s, Hospitals etc

 CT7 – Hospitals

7.4 Personnel

Currently, we are staffed with Deborah Tacoma, President, responsible for strategic partnership development, market strategies, branding and over site of all sales execution initiatives. Our In house marketing/sales staff is Megan Zinger and Jeff Thornell.

Diana Kasza, accountant, will handle all aspects of accounting, financial reporting as needed at every level; staff, management and Board of Directors.

8.0 Financial Assumptions Proposed 5 Year Plan

Freedom Creators, Inc. five (5) year Performa is based on the foundation, awareness and relationships of the last 5 years of hospital, DME, and retail sales. The 5 year sales average increase per year is 24% with only Deborah Tacoma, founder, as the sales force. In 2016, we are positioning the company with a sales team to multiple the sales channels and impact. The impact of the hospital channel sales are based on less than 1% of the estimated annual rotator cuff, hip and spinal fusion surgeries. These annual procedures performed total 1,397,000. The friendly FreedomWand®™ portable medical device usage is projected to be approx. 3% in 2020 related to these types of surgeries performed.

600,000 Rotator Cuffs

332,000 New Hips

465,000 Spinal Fusions

1,397,000 Annual Surgeries

|  |  |  |
| --- | --- | --- |
| Projection Years | Projection Annual Units Sold - Hospital Channel | % of Annual Procedure Performed in Hospital Benefit from Freedom Wand |
| 2016 | 6,000 | 0.42% |
| 2017 | 14,000 | 1.00% |
| 2018 | 20,000 | 1.43% |
| 2019 | 25,000 | 1.79% |
| 2020 | 35,000 | 2.50% |

Total 100,000

Freedom Creators, Inc. projections for 2016-2020 included are based on the percentages of the

1,397,000 limited motion type surgeries performed annually in hospitals. In 2016 projected revenuse are $239,925 with estimated units of $6,000 units from direct sales to the hospital systems. It is projected to have sold 35,000 FreedomWand®™ direct to the hospitals to assist patients undergoing those limited range of motion type surgeries in USA hospitals in 2020. A superior toileting/hygiene device available for women and their families in time of need and to assist their loved one to be independent in their personal hygiene care. See 5 year Proforma on next page…..

8.1 Proforma Statement

Freedom Creators Inc.

5 Year Proforma

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2016 | 2017 | 2018 | 2019 | 2020 |
| Total FW Units Sold | 8,378 | 17,096 | 29,093 | 32,726 | 40,470 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Total Projected Gross  Revenue | 239,925 | 501,542 | 832,125 | 948,818 | 1,161,778 |
| Total Cost of Goods Sold | 94,113 | 191,501 | 314,562 | 358,002 | 437,277 |
| COGS % | 39.23% | 38.18% | 37.80% | 37.73% | 37.64% |
| Gross Profit (Margin) | 145,812 | 310,040 | 517,563 | 590,816 | 724,501 |
| Gross Profit % Expenses | 60.77% | 61.82% | 62.20% | 62.27% | 62.36% |
| Total Admin & Selling  Expenses | 209,930 | 242,795 | 316,697 | 344,639 | 372,057 |
| EBITDA | (54,925) | 76,438 | 210,059 | 255,371 | 361,637 |
| InnovateHER 2016 Pitch | 40,000 |  |  |  |  |
| Beginning Cash | 37,111 | 8,678 | 59,541 | 163,161 | 121,810 |
| Debit Reduction |  |  |  |  |  |
| Bank Loan & Grow  Principal | (13,507) | (13,785) | (34,137) | (37,072) | (37,072) |
| Huntington Bank - LOC | 0 | 0 | (10,000) | 0 | 0 |
| Inventory |  |  | (15,000) | 0 | 0 |
| Investors Payments | 0 | 0 | 0 | (213,000) | (213,000) |
| Taxes | 0 | (11,791) | (47,302) | (46,650) | (72,420) |
| Ending Cash for Period  Ending | 8,678 | 59,541 | 163,161 | 121,810 | 160,956 |

8.2 Freedom Creators, Inc. Inc. Business Valuation to date:

|  |  |  |  |
| --- | --- | --- | --- |
| Freedom Creators, Inc. |  | $ Valuation | Notes |
| Tooling/Patent/Trademark/Intellectual  Property |  | 654,435 | $130,887 X 5 (50% of  Future Life Value) |
| Investment/Operating Investment |  | 250,000 | Founder Self-Funded |
| 2014  Future Earnings Value Sales | 89,000 | 651,000 |  |
| Total |  | 1,555,435 |  |