

New Venture Plan Horse-Pilates.com

Sue Nicole Susenburger, CEO * Allie Kuopus, CCO * Luis Sanchez, CMO

Executive Summary

Horse-Pilates.com is an engaging online service that offers cross training for horses to keep them healthy and injury free, and to increase their overall performance. Lungeing, widely practiced in Europe, focuses on lengthening, strengthening and stretching a horse's neck and back, like Pilates for humans. We make this education accessible to the U.S. by providing eCourses, webinars and in-person clinics.

We offer a solution to American equestrians who want to keep their horses fit and healthy, beyond riding and time in the pasture. Due to geographical spread and lack of experts, lungeing is not commonly practiced in the U.S. Our online community platform will add value to the \$40 billion American equestrian market with easy access to European expertise.

By targeting a niche and loyal target market of U.S. dressage, pleasure and trail riders, we will become the go-to source of information for lungeing training and technique.

Products or Service Description

Our unique value comes from our proven training techniques, provided by experts located both in the United States and in Germany. Horse-Pilates.com is the first of its kind in the U.S. to package this knowledge in an easily accessible manner on a scalable, engaging online platform.

Through free eCourses and webinars, we provide sample horse workouts, horse and student profiles, and "sticky note" tips from the experts. We also offer in-person clinics, and will develop a smartphone application so our target audience can take this information on the go.

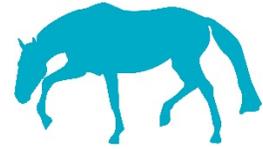
Our first round of eCourses will be packaged using material from April's in-person clinics, held in Michigan and Illinois with world champion vaulter, Christopher Lensing. In the future, we are planning to sell also the featured equipment. Thus far, we have distributed 148 free eCourses, held 45 paid-for webinars and have four pre-sales of the upcoming paid-for eCourses.

Customer/Market Analysis

There are 7 million horse riders and 9.2 million horses in the U.S. Horse-Pilates.com will add immeasurable value to the \$40 billion American equestrian market with easy access to this cross training expertise from overseas.

The average American rider spends approximately \$7,200 annually on horse-related products, including veterinary care, tack and grooming products, medicine, feed, vitamins and mineral supplements, and trainer fees. On average they pay for musculoskeletal health treatments \$400 - \$700 annually and horses that have already osteoarthritis get annually infections for \$3,000 - \$15,000. Lungeing training helps to prevent horses from needing these treatments.

After surveying 230 equestrians, we defined the majority of our market segment as dressage, pleasure and trail riders, which spend on average between \$50 and \$300 per month for horse training. 77 percent of the dressage and 50 percent of the trail riders said they were interested in purchasing an eCourse about lungeing, and attending an informational webinar.



Horse-Pilates.com currently faces no major competition from other engaging platforms on cross training for horses in the U.S. However, there are eCourse providers on the topic of horsemanship, e.g. renowned equestrian and clinician Clinton Anderson. His audience is different than ours. His audience wants to learn more about horses' behavior, while we speak to experienced equestrians who want to improve their horses' fitness and health.

Sales and Marketing Plan

As public relations and marketing professionals, our team has the advantage of supplying these services in-house. Our sales and marketing plan has a three-pronged approach that involves short-, mid- and long-term goals. We have started attracting our audience online by being a presence on social media in the existing equestrian community, including Facebook groups and Twitter conversations, as well as Google AdWords and Facebook ads.

Short-term: To position Horse-Pilates.com as a growing concept in the U.S. that will attract equestrians to focus on their horse's cross training. We have been in close contact with our 148 free eCourse customers, as well as the 230 who answered our survey. We utilize this relationship to test our eCourse and products, as well as encourage dialogue in our growing community.

Mid-term: To continue to drive awareness and to promote our courses, training and website by creating a soft pitch to traditional and social media outlets, including targeting top relevant bloggers and reporters. We validated this strategy by acquiring our 45 webinar participants through organic reach on Facebook. As public relations professionals, we do intend to utilize more earned attention than paid, although we will advertise in relevant publications, both print and online. By building up strategic affiliate partnerships with, such as with tack stores and national equestrian organizations, we can leverage each other's email lists to increase our market share.

Long-term: To retain our customers by creating a loyal brand community and advocacy of our current and future customers by offering a referral incentive program for word-of-mouth growth. We will also become the institution that provides lungeing certifications for equestrians, therefore growing our position in the equestrian market.

Management Team and/or Advisors

Sue, CEO, is the creator, team leader and resident lungeing expert, with a background in business, communication and marketing. She taught lungeing in Germany for 15 years and earned her horse training license from the German Equestrian Federation.

Allie, CCO, joined her classmate and friend in this endeavor, bringing her social media, communication and journalism backgrounds to the project. She holds a B.A. in journalism and is pursuing her M.A. in Public Relations.

Luis, COO, drives sales and marketing while he brings vast experience in media relations and marketing communications to this project. He holds an M.S. in Public Policy and is also pursuing his M.A. in Public Relations.

In addition, to this core team, we have several mentors, such as a serial entrepreneur for business development, a former Deloitte financial analyst as well as an IT specialist. Five lungeing experts from the U.S. and Germany support the content creation and promotion. Christoph Lensing, three-time world champion of equestrian vaulting, provided content for the



first video production and also serves as a brand ambassador.

Business Model: Revenue Stream(s) and Costs

We currently have prices set at \$99 for the three-month eCourse, \$80 for attending in-person clinics and \$18 for webinars. In the future, we also intend to sell equipment.

Our main overhead costs include website hosting (\$100 annually) and a subscription marketing system/CRM (\$70 monthly) to distribute the eCourse, as well as a shared office rental space (\$250 monthly).

Variable costs include costs per film (\$2,000 for self-production), which includes film equipment, expert travel costs, rental space and fees for horses. In the future, we want to hire a production company for higher quality professional production (\$5,000+).

We save on marketing and public relations costs by leveraging our expertise in not only the knowledge of the product itself (training), but also of the way we reveal ourselves to our target audience. We currently spend about \$50 a month for online advertising.

Future investment costs include \$5,000 for legal, tax and trademark, as well as the development of a video-based learning management system (\$10,000-\$50,000) in year four, \$250 per year for hosting our website and \$1.50 per hour for streaming costs.

Financial Highlights

We generated \$1,500 revenue in April, from the sale of two webinars, one in-person clinic and four eCourse pre-sales. With our three products, we expect to generate a 40-60 percent gross margin for the next three years. This growth will be driven by the increase of followers and contacts, as well as cross selling to existing customers.

We are growing our customer email database, as well as social media followers, and will utilize our increasing brand loyalty from our existing customers and community followers. Through referrals programs, partnerships, brand advocates, and public relations and marketing activities, we plan on acquiring new customers.

We assume a conversion rate of 13 percent based on the average of the rates we saw for the free eCourse and the paid webinars. Based on our current public relations and marketing mix, we had an acquisition rate of \$2 per paid eCourse or webinar.

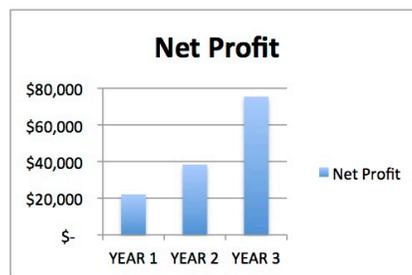
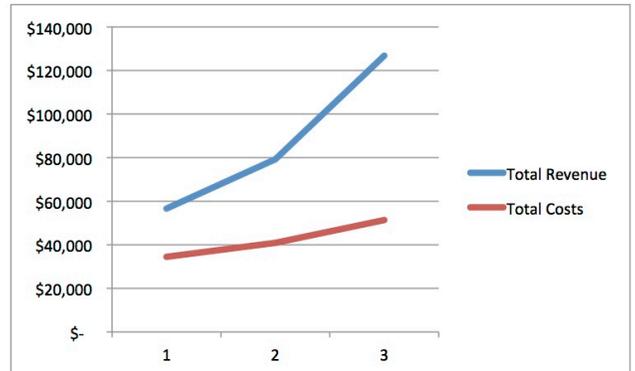
After covering the first investment costs, we predict a net profit of \$22,127 in the first year. We expect the revenue to grow at least 40 percent to \$79,254 in the second year, and assume a 65 percent revenue growth in the third year with a gross margin of 60 percent.

We intend to **use the Launch DePaul award money** to first finance the editing and packaging of the raw in-person clinic footage into cohesive clips for our paid-for eCourse, further invest in registering the company and start working in an incubator space.



Three Year Forecast Cash flow

Three year - FORECASTED CASH FLOW			
	YEAR 1	YEAR 2	YEAR 3
REVENUES			
eCourse	\$ 21,240	\$ 29,736	\$ 47,578
Webinar	\$ 22,260	\$ 31,164	\$ 49,862
In Person	\$ 13,110	\$ 18,354	\$ 29,366
Total Revenue	\$ 56,610	\$ 79,254	\$ 126,806
EXPENSES			
Labor	\$ 16,983	\$ 25,475	\$ 33,117
Rent	\$ 3,000	\$ 3,300	\$ 3,630
Marketing & Advertising	\$ 5,000	\$ 6,500	\$ 8,450
IT & Software Costs	\$ 1,500	\$ 1,650	\$ 1,815
Video production	\$ 3,000	\$ 3,300	\$ 3,630
Utilities & Founding cost	\$ 5,000	\$ 660	\$ 726
Total Costs	34483	40885	51368
Net Profit	\$ 22,127	\$ 38,370	\$ 75,439
Sales Turnover	64.17%	93.85%	146.86%
Gross Margin	39%	48%	59%



Lungeing cross training



***like Pilates
- just for Horses***

Example eCourse



Get your be-weekly Lungeing Training eCourse: Pilates for Horses

~~\$99.00~~
\$79.00

3 Month, be-weekly eCourse

Pilates for Horses

- the perfect lungeing training to cross-exercise your horse -

only \$ 79

Instead of \$ 99 when the subscription begins mid February!

What you get:

- Periodical Lungeing Training eCourse mails
- Three **certified experts** with a combined expertise of over 70 years training horses share their insights in lungeing with you
- Known guest speaker with expertise in dressage, vaulting or lungeing
- Featured horse profiles on how lungeing improved and benefited individual horses
- Example Training sessions with lungeing workouts (20-30 minutes) for stretching, lengthening, suppleness, calmness and relaxation or rhythm. Know how to structure your be-weekly lungeing training for your horse!
- **Issue topics** in which we look in detail at certain lungeing skills
- The **Q&A corner** with your lungeing professionals – send in your questions and get your video answers!

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Horse Pilates

Third Free Training Session for Lungeing Training

Let's Start Lungeing - Reasons for Lungeing



Reading time: 4 min + 3 minute video

Hello, horsey friend–

Today we discuss “why we lunge” and identify for which horses lungeing can be a fitting cross training. Finally, this session includes a video on how to roll up the lunge line correctly and safely.

In our **last lungeing session**, we shared reasons for lungeing by our expert Kate Federal. Kate's main reasons why we lunge at a glance:

- To exercise the horse and improve walk, trot and canter
- Great for the horses to let go of steam
- To work a fresh or young horse before you ride it
- Helps the horse with suppleness and balance – which increases the horse's basic schooling
- To review the horse from the ground
- The horse gets used to our voice, which aids with riding as well

That's it? Be surprised about the benefits of lungeing!



Sticky Note



In the Sticky Note we feature lungeing knowledge and insights that help to refresh the basics of lungeing. Today we will feature:

How to roll up the lunge line correctly and safely

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