

2008



Asphalt Assault
Business Plan 2008
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Executive Summary

Asphalt Assault is a new fresh and edgy company for dynamic people who enjoy biking and skating. We are a bicycle and skateboard specialty company, offering sales of new bikes, skateboards, parts and accessories. Our mission is to provide quality products at an economical price.

Asphalt Assault will be vending it's products online at www.myasphaltassault.com We will be promoting our company through T.V., Billboards, Trade Shows and through "word-of-mouth".After a few years of selling online, we hope to expand in California where biking and skating are popular.

Our target market ranges from the hard-core BMX rider, to the ultimate free-style skateboarder. We cater to the mountain bike extremist and the urban-stunt bikers. We will be successful because California alone has more than 8 million regular bicyclist and skateboarders. With rising gas prices, and concerns about obesity and other inactivity-related illness, the industry is experiencing booming sales.

PART I: INTRODUCTORY COMPONENTS

Purpose

Asphalt Assault is asking to recive a loan of 1,000,000.00 for the start up cost. This loan will pay for our supplies, payroll and merchandise.

Mission Statement

Asphalt Assault's mission is to provide the consumer with the best quality bikes, skateboards, gear and services available on the market. We aim to sell our products at affordable prices, which allow even the most money conscious person the ability to afford the products.



Objective Statement

The objectives for *Asphalt Assault* are:

- ⊙ Provide high quality services and sales on the web
- ⊙ Be one of the top fifteen providers of bike and skateboard retailer in the nation
- ⊙ Achieve an 80% customer service and 70% customer return rate
- ⊙ Maintain a financially healthy and thriving business
- ⊙ Reimburse the start-up loan to business partners within two years
- ⊙ Manage a store in Orange County, California by the end of our fourth year.

Vision Statement

Asphalt Assault is built around the focus to be on top. This team is built on reliable, hardworking business people. Customers look for loyal and well-trusted vendors and we hope to be that company. We look forward on being a dynamic company that will meet the demands of every customer.

PART II: THE ORGANIZATIONAL PLAN

Organizational Structure

Asphalt Assault's management philosophy is based on responsibility and respect. The company will encourage employees to have fun by allowing creative independence but enforce a mature environment.

Asphalt Assault is made up of 30 employees, seven which are executive leaders. The company is divided into 6 departments: Administration, Human Resources, Accounting, Marketing, Sales and Information Technology. In each department there are about three to four employees which are overseen by an executive leader. The executive leader is in charge of regulating, keeping their department on track and making executive decisions. The Chief Executive Officer is in charge of the supervision of Marketing, Sales and the IT departments. The Chief Operating Officer is in charge of the regulation of Administration, Human Resources and the Accounting departments.

Key Personnel



Chief Executive Officer: Angel Flores

The Chief Executive Officer handles the day-to-day supervision of marketing, sales, and IT departments. The CEO supervises the external public image of the company and works to maintain the company's mission. The CEO leads by example and by holding others accountable for their responsibilities to the company.

Chief Operating Officer: Karina Bucio

The Chief Operating Officer is in charge of maintaining the overall supervision of the administration, human resources and accounting departments. The COO supervises the internal operations of the company and will work to maintain an efficient and positive work environment and be responsible for coordinating company special events.

Chief Financial Officer: Eric Magana

The Chief Financial Officer is responsible for overseeing the entire accounting function. The CFO oversees all banking operations, prepare and present monthly accounting reports to company. In addition, the CFO also supervises the month end close, start up costs, financial statements for the business, and work with the COO to develop a clear cash flow process for the company.

Chief Technical Officer: Kris Mejia

The Chief Technical Officer leads the development and articulation of the company's web site. The CTO develops a site plan and supervises the web development team to maintain consistency between product catalog and the web site. The CTO also develops and conducts a biannual public interest survey on the company web site and based on the results make recommendations for site revisions.



Vice President of Human Resources: Jessica Delgado

The Vice President of Human Resources is responsible for reviewing, recommending and overseeing the implementation of the organizational employee relations within the company. The VP of Human Resources is in charge of the planning, development, implementation and administration of salary and benefits, employee relations, training, and performance management. In addition, the VP of Human Resources also leads the development of an employee manual and dissemination and regulation of company policies to all employees, and develops strategies to build company morale and promote greater productivity in the company.

Vice President of Sales: Ernie Martinez

The Vice President of Sales leads a sales team of five individuals covering the global market. The VP of Sales works in coordination with both the VP of Marketing and CTO to develop a seamless products presentation via both catalog and the web, supervises the team in product development, develop sales procedures and policies and invoice flow between the sales and accounting departments the in the company. In addition, the VP of Sales establishes monthly sales targets to meet the company bottom line of profit and reports the monthly sales reports and year-end company sales reports.

Vice President of Marketing: Jennifer Ulloa

The Vice President of Marketing supervises the marketing employees and is directly in charge of the Publications and Design team within the marketing department. The VP of Marketing is responsible for the Strategic Marketing Plan component of the company business plan, and is responsible or collaboration with sales and marketing teams in product line development. In addition, the VP of Marketing oversees the development of all company sales and promotional literature, contracts video and commercial services.



Salaries

Employees	Estimated Salary (for year)	Monthly Gross (Before Tax)	Estimated Net (Take Home)
Chief Executive Officer (CEO)	\$270,000.00	\$22,500.00	\$16,200.00
VP Marketing	\$140,000.00	\$11,666.67	\$8,400.00
Director of Marketing	\$110,000.00	\$9,166.67	\$6,600.00
Digital Media Specialist	\$40,000.00	\$3,333.33	\$2,400.00
Director of Art & Publications	\$110,000.00	\$9,166.67	\$6,600.00
Commercial Artist	\$40,000.00	\$3,333.33	\$2,400.00
Publication Specialist	\$40,000.00	\$3,333.33	\$2,400.00
VP Sales	\$140,000.00	\$11,666.67	\$8,400.00
Director of Sales	\$110,000.00	\$9,166.67	\$6,600.00
New Products Developer	\$50,000.00	\$4,166.67	\$3,000.00
Purchasing Agent	\$40,000.00	\$3,333.33	\$2,400.00
Internet Sales Specialist	\$30,000.00	\$2,500.00	\$1,800.00
Sales Associate	\$30,000.00	\$2,500.00	\$1,800.00
Chief Technical Officer (CTO)	\$140,000.00	\$11,666.67	\$8,400.00
Web Master	\$50,000.00	\$4,166.67	\$3,000.00
Web Developer II	\$40,000.00	\$3,333.33	\$2,400.00
Web Developer I	\$30,000.00	\$2,500.00	\$1,800.00
Chief Operations Officer (COO)	\$270,000.00	\$22,500.00	\$16,200.00
Director of Administration	\$100,000.00	\$8,333.33	\$6,000.00
Director of Public Relations	\$100,000.00	\$8,333.33	\$6,000.00
Executive Secretary	\$55,000.00	\$4,583.33	\$3,300.00
VP Human Resources	\$140,000.00	\$11,666.67	\$8,400.00
Director of Human Resources	\$110,000.00	\$9,166.67	\$6,600.00
Benefits Coordinator	\$30,000.00	\$2,500.00	\$1,800.00
Chief Financial Officer (CFO)	\$170,000.00	\$14,166.67	\$10,200.00
Director of Accounting	\$110,000.00	\$9,166.67	\$6,600.00
Accounts Receivable Clerk	\$40,000.00	\$3,333.33	\$2,400.00
Branch Banker	\$40,000.00	\$3,333.33	\$2,400.00
Collections Officer	\$40,000.00	\$3,333.33	\$2,400.00
Payroll Specialist	\$40,000.00	\$3,333.33	\$2,400.00
	Monthly Payroll		\$221,250.00



Insurance

Asphalt Assault's insurance provider is Kaiser Permanente we will pay \$45 per 30 employees. We will be paying \$1350 a month.

POS Insurance Plan

Plan Highlights

Annual out-of-pocket maximum

\$3,000
individual
\$6,000 family

In the Medical Office

Office Visit	\$35
Preventive Exams	\$35
Vaccines	\$0
Occupational, physical, speech therapy	\$35
Most Labs and Imaging	\$10
MRI/CT/PET	\$50
Outpatient surgery	\$100

Hospital care

Room, board, tests , medication, therapies \$200 per day

Emergency services

Emergency Department visits	\$100
Emergency ambulance service	\$75

Prescriptions

Generic drugs	\$10
Brand-name drugs	\$35
Nonformulary	\$40

Mental health care

Medical Office	\$35
In the hospital	\$200 per day

Other

Optical (eyewear)	Not Covered
Vision Exam	\$35



Location

Asphalt Assault's main office is located on 1401 s. Grand Avenue, Santa Ana, California. Asphalt Assaults products are sold only in the United States through our online website at www.myasphaltassault.com.

Within our fourth year of being an online retailer we hope to expand and build a store in Orange County, California. Within a few more years of operating we will look forward to building several stores around urban areas in California and even expand into different states where skating and biking are popular.

PART III: THE MARKETING PLAN

Market Summary

As prices continue to rise and people's income seems to decrease, more and more people are attracted to finding better deals. Asphalt Assault's bargains will help generate enough business to pay off loans and start accumulating profit.

Marketing Mix: The "Five Ps" of Marketing.

- ⊙ Price
- ⊙ Product
- ⊙ Place
- ⊙ Promotion
- ⊙ People

Asphalt Assault adds "People" to the "four P's" because we believe that if we do not keep people first we are bound for failure.

Price: The four factors use to arrive at a price:

- ⊙ Pricing objectives
- ⊙ Cost
- ⊙ Competition
- ⊙ Demand



Products & Services

Asphalt Assault offers a variety of services and products that make shopping more convenient. Asphalt Assault will have the advantage of selling products on the market for a lower price than most of its competitors due to the fact that we purchase our products in big quantities for a reduced price.

Products:

Asphalt Assault offers products for different type of experienced people. Since not all of our customers are professionals we offer inexpensive beginner packages.

With market change comes product change, we will keep our business up to date by adding new products at least once a month. We will advertise these products through mail, newsletters and in the trade shows.

Asphalt Assault wants every customer to be satisfied with our services and products. When a customer is interested in purchasing, we will give a brief description of the products. After the purchase: we will tell the customer about our 30 day warranty and if they were happy with our customer service.



“Create Your Own Board” is a new service we will be offering online. In “Create Your Own Board” the customer is able to customize their complete skateboard. The customer will be able to customize their packages with different accessories and colors

Bikes: We specialize in selling BMX bikes, mountain bikes, and street bikes. The bikes we offer come in different variety of brands. Our bikes come straight from our manufacturers company. They come from our sponsors



such as Fit Bike, Ron Jon, and Zumiez.

1. Stunt Bikes: Frames, tires, diverse bike parts, complete bikes, and stunt bike accessories.
2. Mountain Bikes: Different types and styles of mountain bikes, and accessories for the sport.

Skateboarding: We sell complete skateboards which come with a deck, trucks, bearings and wheels. We sell brand name skateboards such as Ron John, Element, Etnie, Zero, Blind, Enjoy, etc.

Accessories: We offer a variety of bearings, wheels, seats, decks, grip tape, trucks, gloves, frames etc. Our wheels come in different sizes, colors, and degrees of pressure. We also sell different type of trucks from stainless steel metal, to lightweight aluminum. We also offer welded end caps for a more solid feel.

Services

- ⊙ We offer a 30 day limited manufactures warranty. The insurance only covers if the product is defective.
- ⊙ Before a customer purchases an item from Asphalt Assault, we initially make sure that the product is the right adjustment for the customer.
- ⊙ Asphalt Assault provides excellent service with the BFYC process. This process assures our customers are satisfied and helped.
- ⊙ Our customers have the opportunity to purchase merchandise in bundles for an economical price.
- ⊙ Product replacement plan
- ⊙ Customers can pay in payments with a 3% interest rate



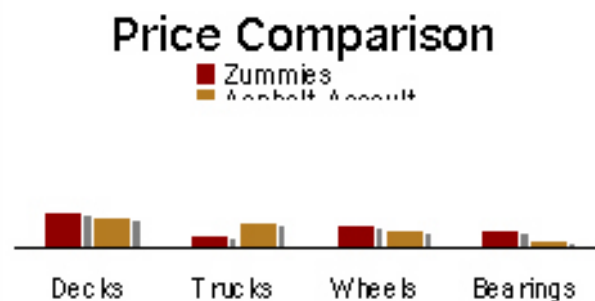
Pricing Strategy

- ⊙ New Products: Asphalt Assault will sell the products depending on popularity and quality. We will try to beat our competitor's prices and selling our products or a more convenient price. The price will be determined by the products popularity during its initial stage.
- ⊙ Penetrating Pricing: When we get new products, we will advertise them in our website and trade shows. In our website and newsletter we will award the product of the month and a new product
- ⊙ Maintaining the Price: In Asphalt Assault we try to sell new and popular products for a low price. We use the process in which once the customers start seeing that our prices are great, then the number of purchases increase. This process will bring us publicity and great results in return.

- ⊙ Reducing the Price: Cutting the price to beat our competitor's gets our profit by the process of (LQLP) meaning large quantities; large profits. Asphalt Assault tries to makes the prices more convenient to middle income people. We walk through the customer through a process called (BFYC) meaning Best for Your Convenience.

BFYC covers the customer in:

1. Best fit
2. Best recommended
3. Best introduction if New to the sport
4. Best satisfied



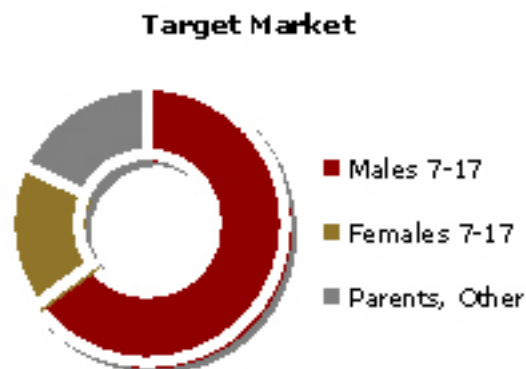
This graph compares Zummies and Asphalt Assault. As the graph shows we have a more economical price on almost all our products.



- ◎ Clearance Prices: Asphalt Assault will have products on clearance. The products on clearance will be products that we have had for a long period of time or products that are not very popular. Products that are in clearance cannot be stacked up with any of Asphalt Assaults discounts or promotions.
- ◎ Price-Flexibility Strategy: Our prices become flexible through paying in payments or special packages. The customer can select a special package that will be flexible and would satisfy them with their purchase. The customer also has the choice of paying in affordable and flexible payments.
- ◎ Customer-Difference Flexibility: If our customer has excellent history payment and great credit, we will be more flexible with the payments.

Target Market

A large number of our target market are males ages 7-17 and females ages 7-15, are typically in intermediate or high school and still rely on their guardians for money. At these ages adolescents tend to be more active. Parents are a big part of Asphalt Assault because more than 80% of our target market still rely on their



parents for financial support.



The Market

Although the bicycle and skating market is very competitive, the lifestyles changes created by modern living fuel its steady growth. The bike and skateboard industry is growing at a rapid rate. Celebrities like Tony Hawk, Bam help capitalize this industry.

According to the Department of Transportation, approximately 25 million bikes are purchased every year. The vast majority of these bicycles (96 percent) are built on an assembly line and sell for an average price of \$200.00. The remaining 4 percent of the market are high-end custom built bicycles that cost an average of \$1,500. Based on an industry survey of all bike makers included in the Bike Tour article, the sale of mountain bikes is expected to increase by 20 percent every year for the next five years.

California has more than 8 million regular bicyclists and skaters. With rising gas prices, and concerns about obesity and other inactivity-related illness, the California bicycle and skating industry is experiencing booming sales.

Promoting

Asphalt Assault will invest into designing an identity package. The identity package will include a company logo, banners, business cards, letterheads and envelopes. This will be done to show and promote the professionalism of Asphalt Assault. Our promotions will also be done by brochures, commercial and newsletters which is all done by our marketing department.

The company will also invest in a mailing campaign. We plan to send catalogs and promotions via e-mail and addressed mail. We will include discounts and coupons when mailing our previous clients. We will set up mailing lists on websites that are for biking and skating.

The business will also promote and sell its products in trade shows. The trade booth will be professionally designed by our marketing department. It is estimated that Asphalt Assault will attend approximately four trade shows per year. The trade shows will provide potential clients an opportunity to view upcoming products



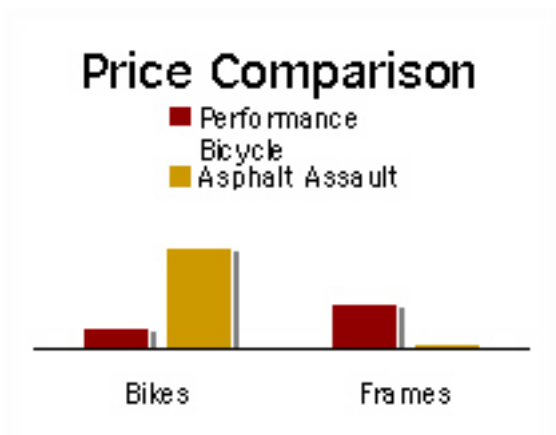
and chat with representatives. During the trade shows we will include money saving promotions to catch the eye off potential clients.

Asphalt Assault will also begin to achieve word of mouth advertising. This form of advertising is the best form; however, the company will not rely solely on this form of advertising.

Competition

Our biggest competitors are stores like VANS, Ron Jons and Performance Bikes. These companies offer the same products and services as Asphalt Assault does.

Performance Bikes is one of our biggest competitor on the web because they sell their products at more inexpensive price then Asphalt does. Asphalt Assault's bikes are of good quality and cannot be sold at such a discounted price. Though we cannot sell our bikes at such a lowered price we can sell our bike frames for a bargain because Asphalt Assault buys them in large quantities for a lower price.



When compared to *Performance Bikes*, our bike prices are more expensive because the bikes we offer are good quality bikes.

VANS and Ron Jons are located thorough out the United States and they are also positioned online. These companies are typically positioned in popular shopping centers where they attract teens. VANS also has a skate park which attracts many teens. As for Performance Bikes this company is positioned online. They carry more varieties of bikes.

These business are so successful because they have famous people who advertise their companies by wearing their brand and using their equipment. They are also successful because their target market is usually consisting of high income people while our company will be sold to the medium income people. Many costumers would buy from VANS and Ron Jons because they are very popular and they are known worldwide.



Sales

Asphalt Assault sales strategy has a three prong approach:

1. Walk-up Sales- Our representatives will sell to costumers coming in to the trade air booth
2. Website- We will sell through our full service e-commerce website at www.myasphaltassault.com
3. E-mail Marketing Program-Through constant contact, former costumers and potential new costumers will receive sale promotions via e-mail and address mail.

Asphalt Assault's sales methodology will be employed by direct face-to-ace selling during trade shows, promotions and catalogs sent through addressed mail and e-mail. We will also have mass media advertisement with our newsletter and our commercial which is done by the marketing department.

There are six people working under the sales department that will help achieve the sales revenue goal. Our sale force learns to sell mainly through hands-on-training during trade shows. We will also have presentations and training. During our trade shows we will have most of the employees selling to costumers. Representatives will be given 2% commission rate of all sales they sold. The commission pay will be given with their check every two weeks.

We plan to attend approximately four trade shows a year. For three of the trade shows lodging and travel will be paid by the company. The Washington D.C trade show will have to be paid by the sales representatives who wish to attend.



SWOT Analysis

The following SWOT analysis captures the key strengths and weaknesses within the company, and describes the threats and opportunities facing Asphalt Assault.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Quality products • Reasonable prices • Carry popular manufacturers products • The ability to change direction quickly if our approach is not working • Customizing Feature for skateboards • Logo has appeal to the BMX/Skater 	<ul style="list-style-type: none"> • Little reputation • Some employees lack knowledge of products • Highly Competitive Market • Target market is some what limited by age and gender
<ul style="list-style-type: none"> • The uniqueness of the custom boards and “board of the month” limited additions • Sponsorship with Pro Skaters/ Stunt Bike riders. • Because of rough activities that involve the boards and bikes, the life span of merchandise is short, allowing for replacement purchasing multiple times a year. • Expansion to a store facility • Possible development of a skate park near our future store 	<ul style="list-style-type: none"> • As people start getting older they stop skating or riding stunt bikes • The economy is always a factor that forces people to limit non-essential components of their life
Opportunities	Threats





CAT. #	QTY	DESCRIPTION	UNIT PRICE		TOTAL COST
027260	20	Paper White Xerox (1 ream)	5.79	ream	115.80
027280	10	Paper Pink Xerox (4+ ream)	9.69	ream	96.90
027290	10	Paper Yellow Xerox (4+ ream)	9.69	ream	96.90
027310	10	Paper Green Xerox (4+ ream)	9.69	ream	96.90
027300	10	Paper Blue Xerox (4+ ream)	9.69	ream	96.90
026675	2	Pad Yellow - Legal size 12/pack	6.99	pack	13.98
005750	15	Spiral Notebook 90 Sheet each	4.84	ea.	72.60
012600	2	Hanging Folders-25 p/box-Letter size	10.66	box	21.32
012650	2	Hanging Folders-25 p/box-Legal size	13.57	box	27.14
012850	1	Manila Folders-100 p/box-Letter size	32.97	box	32.97
012825	1	Manila Folders-100 p/box-Legal size	16.97	box	16.97
017120	2	Post-it note pad 1.5x2 doz.	6.99	doz	13.98
017110	2	Post-it note pad 3x3 2 doz.	21.99	2doz	43.98
017115	2	Post-it note pad 5x3 doz.	17.49	doz	34.98
016880	5	Colorede Dividers 5 Part pack (12+)	1.69	pack	8.45
029525	4	Pencil #2 6doz. (3+)	4.36	6doz	17.44
030505	10	Pen black doz. Med (3+)	5.81	doz	58.10
030515	7	Pen blue doz. Med (3+)	5.81	doz	40.67
030525	5	Pen red doz. Med (3+)	5.81	doz	29.05
030555	3	Marker black, blue, green Red white board /pack	5.49	pack	16.47
030810	3	Highlighter Pink, blue, yellow, and green doz.(3+)	5.33	doz	15.99
030825	1	Highlighter Orange doz.	7.07	doz	7.07
030830	1	Highlighter Green doz.	7.07	doz	7.07
052305	5	Marker Black, blue, red, green -	5.49	pack	27.45
030775	5	Marker Green, blue, red, black -	6.99	pack	34.95
008100	2	Binder Clips 3/4" Box of 40 (6+= 2.89)	2.99	box	5.98
008120	3	Binder Clips 1 1/4" Box of 24 (6+= 2.89)	2.99	box	8.97
031460	5	Hole Punch 3-Hole each	13.99	ea.	69.95
031450	10	Hole Punch Hand Held each	1.29	ea.	12.90
032000	2	Rubber band (Assorted) bag (6+= 6.59)	6.79	bag	13.58
032500	10	Scissors 5": blunt plastic doz.	4.79	doz	47.90
032650	3	Scissors 8" office each 3/pack	9.29	pack	27.87
003700	15	wite out bottle (combo 2 in 1)	2.49	pack	37.35
008325	15	Wite Out pen 2/pack	4.99	pack	74.85
008075	1	Paper Clips large box (1000 clips/ box)	2.99	box	2.99
035150	2	Tape Scotch roll 16/pack	19.39	pack	38.78
052265	1	Masking Tape roll 36 rolls/case	52.99	case	52.99
033450	15	Stapler desk each	13.79	ea..	206.85
033850	10	Staples box	4.99	box	49.90
033560	15	Staple remover each	2.69	ea..	40.35
013000	10	Glue Elmer's 8oz. Each	2.29	ea..	22.90
012935	10	Glue Stick 1ox. 18/pack	7.99	pack	79.90



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