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Executive Summary

The Company

Andean is a New York Based company that provides multimedia solutions for the local and surrounding communities in the New York City area. Because this is one of the healthiest areas of the region, Andean wishes to take advantage of this opportunity in order to become part of the local community.

The Company's Mission

The Company's mission is to deliver multimedia packages that convey the array of fields that Andean is involved in. A very significant goal is to become one with the community. We believe that this area needs an entity that supports the local artist, and this company is a qualified candidate for that task.

Products and Services

The company offers multimedia packages that are customized to a particular customer. The options could be a one medium and long-term contract or a mix of different choices. All of this having in minds the main trend of lifestyle customization.

Marketing Sales & Strategy

Andean wishes to remain in the minds of the community at all times. One of the methods to do that is to advertise through printed and published media, like magazines and flyers. Ties with the local universities are also imperative to keep a connection with the striving local artist.

The Competition

In this market, there are similar companies like Andean but with significant differences. Most of those companies target specific media as a tool, instead of having a large number of options. The generic tech-department employee is part of the competition, as many companies would just get this person to do anything related to technology.

Target Market

The target market is a one that involves a consumer that is appreciates quality. With 4,000 companies in the same field and a potential \$9.2 billion industry, leaves space for Andean to grow and expand through time.

Management

President Daniel Fuentes is an individual that strives to make every single aspect of his projects or any that involve him, be precise and efficient. With his extensive experience Andre Rodriguez leads the company to greater things through the multimedia road.

Financials

After extensive research, it has been determined that Andean would become profitable after year three.

Funds Sought and Utilization

The Company is currently seeking \$70,000 in investment financing. These funds would be used for salaries, technology, furnishing of work area among other things. Advertising will also be funded by these funds, as we want Andean to be known throughout the area.

Company Description

Andean is a New York-based company providing multimedia solutions for mass communication advertisement in the greater New York City area. The vast majority of the clientele would be of a small and local nature. Corporate headquarters are located at 1013 West Houston Street, New York, New York.

The Company's Mission

Our purpose is to make innovations through flexible and diverse media that multimedia depicts. This is accomplished through assertive promotion of talented local and South American artists. Because we are a company with South American ties, we strive to promote foreigners from that sector of the world. Our internship program gives the intern the chance to become a resident artist at Andean. We work towards creative distinction within the artistic Mecca of New York City.

Services

Andean offers outstanding customer care, applying the different aspects of multimedia according to the client's needs. Depending on the requirements of a particular project, there will be a project manager sent for a personal meeting with the client, financed and arranged by the company. Our services are challenged by the ever-growing market, which require constant updating of technology and trends. This spawns the seasonal services provided to our resident artist, which include seminars or classes depending on the field of study. Currently, our talents spread throughout different media, including web design/graphic design, animation, photography, video production, and audio engineering. This wide range of fields of

expertise, give the client the absolute certainty that Andean is a company with many perspectives and methods for sound multimedia projects.

Development to Date

Legal Status and Ownership

Andean will be established as a sole-proprietorship with Daniel Fuentes as sole owner/proprietor.

Industry Analysis

Andean is a company that is well situated in the progressive hi-tech/new media industry by taking advantage of the numerous opportunities that New York City has to offer.

Multi-Billion Dollar Industry

High-tech and new media is a \$9.2 billion industry in New York City, and it's growing exponentially thanks to the presence of approximately 4,000 high-tech and new media companies, ranging from small start-ups to large enterprises. This growth has expanded Silicon Alley, traditionally the area in Manhattan south of 41st Street, into Upper Manhattan, Brooklyn, Queens and Staten Island.

NYC Advantages

NYC is the nation's corporate headquarters with more leading U.S. corporations than any other city. NYC's enormously successful financial, advertising and retail industries provide a strong, built-in customer base for high-tech companies.

Nearly 100 NYC colleges and universities graduate talented individuals from entrepreneurs and business managers to programmers and designers. As a result, the number of new media related jobs in New York City has more than tripled since mid-1995.

Growing Industry

Competition in NYC is currently sectioned into internet-related or graphic oriented companies, each specializing in their own branch. The

perception of these kinds businesses is either of a sporadic or an advertising company outside of the high-tech/new media industry.

Limitations

With over 4,000 companies at hand to promote and exploit the city's resources, there is limited possibility for a company to establish itself in the market. The constant updating of software and hardware is a necessary investment every six to ten months, including seminars and classes for residents currently at the company. Connections with media accessed by the target consumer are imperative for a reasonable attempt to grow in this industry.

Long-Term

In order for a company to project itself as a long-term business in this market, evolving into a lifestyle choice is fundamental. Today we have many companies following this idea, for example, Philadelphia's Urban Outfitters. To follow this idea is to follow what the target market wants. This requires the company to be as contemporary as the trends themselves. Knowing how to structure a lifestyle with relevant industry tendencies, will predict the longevity of the company itself.

Andean Icon

The advantage of this company within the industry is the lack of an icon, a figure you can relate to when you think of multimedia solutions. This opportunity gives Andean a chance to set a new standard for the high-tech/new media industry in NYC.

Target Market

Market Description

Andean operates in the greater New York City area, targeting those small and medium-sized businesses with unique identities. The geographic area includes the incorporated communities of:

- South Houston (SoHo)
- Greenwich Village
- East Village

Market Size & Trends

New York City, with its many communities, is the largest and economically prosperous area in the region. The city of New York has a population of approximately 8,008,000, according to 2002 census figures, making it the center of business in the world. The New York Metropolitan Statistical Area (MSA) has an overall population approaching 11,700,000.

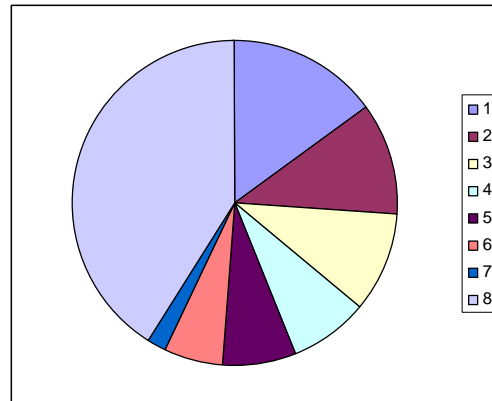
Ethnic and cultural diversity are well known characteristics of New York City. Also having domestic tourism figures of 33.03 million people combined with a 4.81 million in international tourism, makes an approximate of 37.8 million visitors a year.

The Regional Economic Development Assistance Corporation is a non-profit lending organization that provides loans from \$5,000 to \$50,000 to small and start-up New York City companies. Sales Tax Exemptions may be provided by New York City and New York State for items including computers, servers, software and other goods and services

used in the production of prewritten software. Proposed legislation would lower taxes and establish tax credits for new technology companies.

The breakdown of employment by industry is approximately:

1. 15% Retail Trade
2. 11% Technical Services
3. 10% Health
4. 08% Construction
5. 07% Wholesale Trade
6. 06% Finance & Insurance
7. 02% Arts
8. 41% Others



Target Customers

Andean targets customers with the following characteristics:

- Under 1,000 employees
- Lifestyle suggestion policy
- Advertisement/Mass Communication
- High sensitivity of Arts
- Innovative

Industries:

- Advertisement
- Film
- Scores
- Photography

According to the 2001 Census, 9,389 companies are in the industries listed above.

Proprietors of these businesses strive for something new. They are easily bored with the well known company or style of the moment. The most important factor is originality with functionality without the highest price in the market.

The Competition

Andean's competition consists of companies that offer specific services within a medium or media. These are the categories:

- Individual Independent
- College Classes
- Technology Department (Within the Company)
- Online Distance Learning Programs

Within the above listed, individual/independent and technology department are the true competitors because of their professional level and possible multimedia proficiency.

Individual Independent

Companies that center on one medium have the time to focus on the medium itself, with ease to invest in new equipment for production.

Multimedia firms have an array of features to offer, using one medium with another in order to achieve harmony within a multimedia project. The usual case with these kinds of firms is that a small amount of artists/associates do many things without having an expertise in the medium they may have to work in.

Technology Department

The proprietor of the company would usually rely on the resident technician for anything that is related to technology. The reasons are usually trust in the known individual and the extra cost of another

resident. The costly investment would be unrealistic for a small company.

Advantages Over Competition

- Expertise in multiple fields, rather than multi-tasking for productivity
- Involved in the local community
- Embracing city's diversity by promoting foreign artists
- Convenient array of options for the customer within the same company
- Emphasis on being relevant to any of the fields involved with the company

Strategic Position & Risk Assessment

Andean goal in the NYC area is to be part of the local community of South Houston (SoHo). In order to achieve that goal, we have developed a strategic position that emphasizes:

- Customized projects, centered on the possibilities based on the options and needs of the client
- Sponsor for local events
- Courtesy meeting with every potential client

Andean's Strategic Position is based on evaluating the following factors:

- A. Industry Trends
- B. Our Target Market
- C. The Competitive Market
- D. Our Strengths
- E. Risks

Industry Trends

Lifestyle customization within the client's advertisement needs is the most significant trend of all. With that said, one can utilize the tools of mastery to execute a relevant multimedia or one medium project.

Target Market

Our target is the small business with a low budget at hand but with a sense of self in the other. This market is abundant, as most companies offer complicated and price elevated services. Because they usually

don't engage on online or published advertisement, our community conscience approach would be less intimidating and accessible to the consumer.

Competitive Environment

The area is currently not overtaken by high-tech/new media companies, but there are some businesses where there is a specific medium of choice. The opportunity to become an important entity in the sector is quite possible.

Our Strengths

Andean's main strength over anyone else is the strong ties we plan on maintaining with the local community. We embrace the city's diversity, so we plan on promoting foreign artists from the local universities, as well as young prodigies from the surrounding areas. Project customization is very important, in reality, is what makes us different from any other multimedia company. Our goal of professionalism and sound use of talent is our formula for absolute customer care, from first meeting to deadline date.

Risks

The cost of maintaining updated software, hardware, and knowledge of contemporary trends is expensive, so keeping low prices can become the most significant risk. Andean plans to start business with three main departments of mastery that includes design, photography, and video production. This could bring a shortage of people to accomplish given projects until the rest of the staff is installed in the company.

Strategic Position

As mentioned before, the cost of keeping the company updated in every way possible is the most important difficulty. That is especially why Andean would only start with three departments instead of the ideal five. Having an estimated amount of three interns in the company, costs would go down and production would rise to a reasonable level.

Marketing Plan & Sales Strategies

Advertising

Andean plans on advertising through published/print media, namely local bohemian magazines and flyers throughout establishments where target customers are frequent. Online media will also be used to make our services more accessible to the casual customer. Contact potential clients through mail and telephone.

Message

The message itself is not only transmitted through tangible advertisement, but also through the resident artists and selected interns. As we plan to design our own advertisements, the idea is to lay an image that represents the residents experience and the fresh style of the interns.

Sales

We will hire a specific person to do major advertising tasks for the company, with bonuses given after a certain quota has been reached. Other employees may perform minor advertising tasks like giving away business cards.

Operations

The company's tools are very important; these include six computer stations for most of the projects. Video cameras and photography cameras would also be required to complete the rest of the projects.

Technology

The approach towards acquiring computers and other equipment is not to purchase them because of the fast-changing technology; instead, a lease for a reasonable amount of time would leave space for updating without having to spend higher amounts of money.

Competitive Advantages

Every time Andean engages into a particular project, it is always a custom job. The opportunity to give the customer extended service through a seasonal package would ensure that the concept desired by the client is carried successfully.

Location of Andean is a key factor. Within NYC, SoHo is the artistic Mecca of the city. This is important because the target client of the company resides in this area and surrounding communities.

Technology Plan

Andean is a company that is based on the possibilities of technology in the different media that it uses. In order to have an accurate reality, pertaining to the technological possibilities, software, hardware, and staff must be current with the latest advancements.

The technology plan consists of sending current residents to seminars with the major software companies, which in exchange of our usage of their software, would supply pre-retail software so our employees can have a feel for before it's official release.

All computers will be linked through a local area network (LAN) connection that distributes our high-speed internet connection.

The website, AndeanAtSoHo.com, would give a background on the company itself, and also showcase the portfolio of the current residents. It would also promote the most outstanding intern every trimester. Another feature is that every client that has business with us will receive a temporary login and password to our website to check on notes and progress of the particular project.

Management and Organization

Key Employees

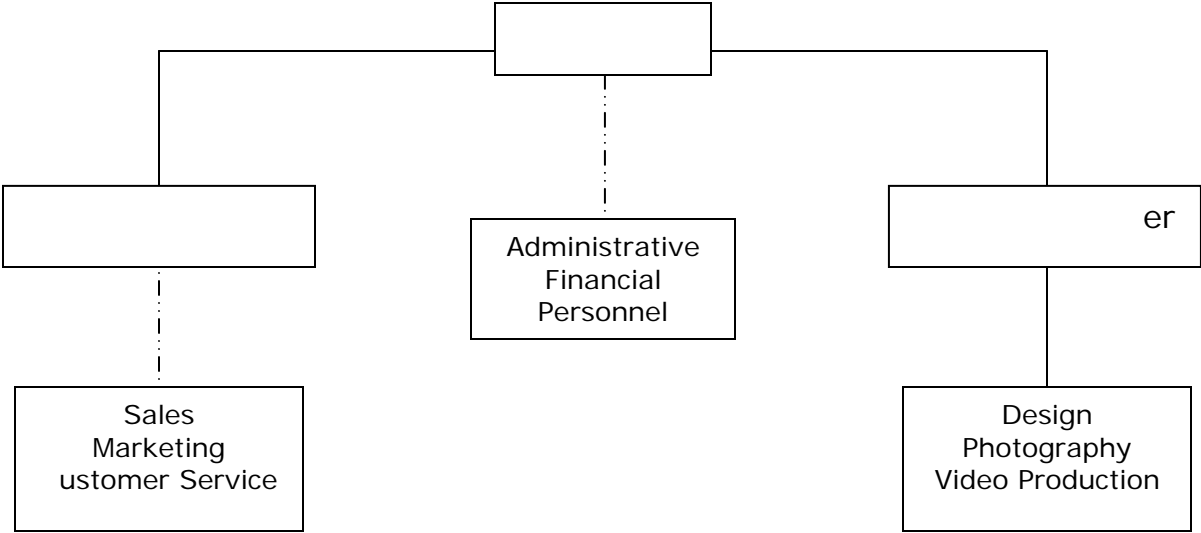
Daniel O. Fuentes, President. He graduated from the Art Institute of Philadelphia for a Bachelor's in Multimedia & Web Design, and later went to follow his Mastery in New School University in Media Arts. During this time he got involved with photography and synthesized music, which entitled him to recognition outside of his field of study.

Andre Rodriguez. Andre Rodriguez is a Multimedia Web designer, graduated from the Art Institute of Philadelphia. He has been interesting in the Internet business since he was a teenager. He has developed web sites for different companies during the last 5 years. He also was involved in the developing of two commercial businesses in the last 3 years. He was part of a web design company with two fellow students named Creative Project. His second business was the creation of a company in partnership with his mother named Seventh Art and Video, which was a video club. This video club still working and it is still considers a really successful store in its area.

Management Structure

Daniel Fuentes, President, is involved in every aspect of the company, financial and administrative tasks are his main tasks. The next in the pyramid would be Sales Manager and Project Manager.

Management in Andean is distributed as shown in the chart below.



Community Involvement

Andean has a major community involvement plan at hand. Because we are grateful to be part of this artistically rich community, the idea of giving back to the community is to promote and let this talent afloat onto regional recognition.

Company Philosophy

As a business, Andean has logical and structured beliefs when it has to do with the clientele or the local community itself. These are the major points regarding the basic philosophy of the company:

- We will, as a company and as individuals, take responsibilities for our actions;
- We will, as a company and as individuals, deal fairly and honestly with our customers, students, suppliers, the public, and each other;
- We will constantly try to give the highest level of performance to each customer and each student;
- We recognize that without profits our company cannot survive, so we will make our best efforts to increase the profitability of our company within an ethical and honest remark;
- We will give back to our community and society and make a positive commitment to its health and well being;
- We will respect our co-workers and recognize their needs as employees and as human beings;
- We will listen to each other.

Community Involvement

One of the most important aspects of this company is our relentless involvement with the local community. We believe that the community needs an entity that is involved with the happenings of the local artists. One of our biggest plans is to have direct connections with the local universities, either with faculty or the students themselves. This is certainly the most logical method of finding the young fresh talent that would give continuous life to our company. Because of the influx of foreigners into the area, it would be fairly possible to make Andean accessible to a foreign student or artist moving into the community through well structured advertisement.

Andean plans on sponsoring local events, festivals, exhibitions, etc. in order to show involvement and interest in the local talent.

Financials

INCOME STATEMENT

2005

January	February	March	TOTAL
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INCOME

	Gross Sales	\$25,000.00	\$28,000.00	\$30,000.00	\$83,000.00
Less Returns & Allowances					\$0.00
	NET SALES	\$25,000.00	\$28,000.00	\$30,000.00	\$83,000.00
Cost of Goods		\$5,000.00	\$5,000.00	\$5,000.00	\$15,000.00
	GROSS PROFIT	\$20,000.00	\$23,000.00	\$25,000.00	\$68,000.00

Total Cash Receipts

General & Administrative Expenses

Salaries & Wages	\$11,100.00	\$10,950.00	\$10,850.00	\$32,900.00
Employee Benefits				\$0.00
Payroll Taxes	\$800.00	\$800.00	\$800.00	\$2,400.00
Sales Commissions	\$1,250.00	\$1,400.00	\$1,500.00	\$4,150.00
Professional Services	\$400.00	\$400.00	\$400.00	\$1,200.00
Rent	\$1,000.00	\$1,000.00	\$1,000.00	\$3,000.00
Maintenance	\$50.00	\$50.00	\$50.00	\$150.00
Equipment Rental	\$1,000.00	\$1,000.00	\$1,000.00	\$3,000.00
Furniture & Equipment Purchase	\$4,000.00	\$0.00	\$305.00	\$4,305.00
Depreciation & Amortization	\$150.00	\$150.00	\$150.00	\$450.00
Insurance	\$250.00	\$250.00	\$250.00	\$750.00
Interest Expenses	\$200.00	\$200.00	\$200.00	\$600.00
Utilities	\$720.00	\$720.00	\$720.00	\$2,160.00
Office Supplies	\$100.00	\$100.00	\$100.00	\$300.00
Postage & Shipping	\$100.00	\$100.00	\$100.00	\$300.00
Marketing & Advertising	\$1,200.00	\$1,000.00	\$1,500.00	\$3,700.00
Travel	\$100.00	\$100.00	\$100.00	\$300.00
Entertainment	\$50.00	\$50.00	\$50.00	\$150.00
Bad Debts & Doubtful Accounts	\$0.00	\$0.00	\$0.00	\$0.00

TOTAL OPERATING EXPENSES

\$22,470.00	\$18,270.00	\$19,075.00	\$59,815.00
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NET Income before Taxes	-\$2,470.00	\$4,730.00	\$5,925.00	\$8,185.00
Taxes on Income	\$800.00	\$800.00	\$800.00	\$2,400.00

NET INCOME after TAXES

-\$3,270	\$3,930	\$5,125	\$5,785
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CASH FLOW PROJECTION

2005

	January	February	March
Cash Receipts			
Income from Sales			
Cash Sales	\$0.00	\$0.00	\$0.00
Collections	\$50,000.00	\$25,000.00	\$28,000.00
Total Cash from Sales	\$50,000.00	\$25,000.00	\$28,000.00
Income from Financing			
Interest Income	\$0.00	\$0.00	\$0.00
Loan Proceeds	\$0.00	\$0.00	\$0.00
Total Cash from Financing	\$0.00	\$0.00	\$0.00
Other Cash Receipts			
Total Cash Receipts	\$50,000	\$25,000	\$28,000
Cash Disbursements			
Expenses			
Cost of Goods Sold	\$5,000.00	\$5,000.00	\$5,000.00
Operating Expenses	\$17,010.00	\$18,000.00	\$18,500.00
Loan Payments	\$1,600.00	\$1,600.00	\$1,600.00
Other Expenses/Equipment Purchase	\$500.00	\$500.00	\$500.00
Reserve	\$200.00	\$200.00	\$200.00
Owners Draw	\$2,000.00	\$2,000.00	\$2,000.00
Total Cash Disbursements	\$26,310.00	\$27,300.00	\$27,800.00
Net Cash Flow	\$23,690	-\$2,300	\$200
Opening Cash Balance	\$27,050.00	\$50,740.00	\$48,440.00
Cash Receipts	\$50,000.00	\$25,000.00	\$28,000.00
Cash Disbursements	\$26,310.00	\$27,300.00	\$27,800.00
Ending Cash Balance	\$50,740	\$48,440	\$48,640

BALANCE SHEET

2005

ASSETS

Current Assets

Cash	\$43,000.00	
Accounts Receivable	\$1,700.00	
Inventory	\$7,000.00	
Prepaid Expenses	\$600.00	
TOTAL CURRENT ASSETS		\$52,300.00

Fixed Assets

Land	\$0.00	
Building	\$0.00	
Equipment	\$12,000.00	
Furniture	\$4,000.00	
Fixtures	\$0.00	
Less Accumulated Depreciation	\$2,000.00	
TOTAL FIXED ASSETS		\$18,000.00

Other Assets

		\$0.00
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TOTAL ASSETS

\$70,300

LIABILITIES

Current Liabilities

Accounts Payable	\$7,000.00	
Accrued Payroll	\$1,000.00	
Taxes Payable	\$800.00	
Short-Term Notes Payable	\$5,000.00	
Total Current Liabilities		\$13,800.00

Long-Term Liabilities

Long-Term Notes Payable	\$15,000.00	
Total Long-Term Liabilities		\$15,000.00

Total Liabilities

\$28,800.00

Net Worth

Shareholder's Equity	\$41,500.00
Retained Earnings	\$0.00
TOTAL NET WORTH	\$41,500.00

TOTAL LIABILITIES & NET WORTH	\$70,300
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Sources and Use of Funds

Total dollar amount being sought: \$70,000 in equity financing. The company prefers that this entire amount be secured from two investors.

Funding Rounds: Andean expects only two funding round for full financing. If the company were to later become a franchise, another funding round would be considered at the time.

USE OF FUNDS

Capital Expenditures

Leasehold Improvements	\$4,000
Purchase of Equipment and Furniture	\$4,000
Total Expenditures	\$8,000

Working Capital

Purchase of Inventory	\$7,000
Staff Expansion	\$24,000
Additional Marketing Activities	\$15,500
Other Business Expansion Activities	\$15,500
Total Working Capital	\$62,000

TOTAL USE OF FUNDS **\$70,000**