1.1 Mission and Objectives

The mission of Holstaht, LLC is to provide low-cost wireless Internet radio devices for mobile and home use. Such devices provide easy access to the tens of thousands of diverse Internet radio stations. While similar products exist for both mobile and home use, Holstaht devices will offer equivalent or greater functionality at a lower cost.

Company objectives include:

- Develop name recognition for Holstaht's signature WiRAD™, a portable device that connects to WiFi networks to wirelessly receive Internet radio;
- Achieve a 50% profit margin on the WiRAD™;
- Capture 10% of the portable media player market within one year;
- Capture 30% of the portable media player market within two years;
- Develop and release an Internet-enabled stereo targeted at the home market within one year;
- Capture 20% of the home audio market within two years.

1.2 Keys to Success

Holstaht's keys to success include:

- Market at significantly lower price than similar products in order to attract market share from the entrenched, first-to-market brands.
- Make available software that utilizes full potential of products. Providing software for users to stream their audio libraries as Internet radio allows Holstaht devices to supplant older, storage-based audio devices.
- Aggressively fund new research and development efforts. The fast pace of change in the realms of wireless networking and home audio ensures a high rate of obsolescence.

1.3 Target Market

WiRAD™, the only current Holstaht product, is primarily targeted at the portable media player market. With desktop software, WiRAD™ will allow streaming of entire audio libraries. This will encourage users to replace non-streaming media players, such as iPods, with WiRAD™. In addition, WiRAD™ offers extra functionality. The streaming nature of WiRAD™ means that changing data such as sports scores, stock quotes, and weather updates can be presented. Each of these will encourage WiRAD™ growth in a unique demographic.

There are several secondary markets for WiRAD™. Public displays such as museums and historical sites could use WiRAD™ to offer audio tours. There is also a limited personal communication market. WiRAD™ could be used to check VoIP voice mail. In conjunction with text-to-speech software, WiRAD™ could be used to check email.

In the near future, Holstaht will expand into the home audio market with stereo units. In addition to a CD player, these stereos will be Internet-enabled. While WiRAD™ experience will be leveraged into a WiFi stereo, a cheaper, wired version will be available to ensure maximum market permeation.

Entry into these markets will be aided by targeted online advertising. Those searching for portable media players, Internet radio station directories, and wireless home audio will be directed to the Holstaht online store. These markets can also be reached by paid commercial advertisements on

popular Internet radio stations. This has the advantage of reaching a consumer base that is already aware of Internet radio.

1.4 Competitive Advantage

WiRAD™ has three major competitive advantages: capability, media, and cost. With appropriate software, WiRAD™ can completely replace conventional portable media players. Additionally, WiRAD™ offers streaming capabilities. These added capabilities give WiRAD™ a distinct advantage over iPod and other personal media players.

It is especially important to consider media when comparing Internet radio to other streaming technologies. Cellular service providers offer streaming media to cellular phones. Satellite radio is another wireless streaming technology. In both cases, a single provider determines the media. This cannot compete with Internet radio, where stations are independently operated by a multitude of people and organizations across the globe. The latter paradigm results in more station diversity, as well as a greater quantity of stations. Additionally, both cellular streaming content and satellite streaming content require a monthly subscription fee, whereas Internet radio is free to anyone with an Internet connection.

The last advantage, cost, is most significant when comparing amongst Internet radio devices. By keeping manufacturing and marketing costs low, WiRAD™ gains a competitive advantage over more expensive devices.

1.5 Basic Strategies

Startup will be funded by a combination of founder investment and angel investor money. Corporate and development offices will be located in Starkville, MS and manufacturing will be contracted to the lowest bidder. After several years profit, the founders will buy out outside investors and Holstaht will remain privately held.

A research team consisting of the founders will handle technical development. Future R&D personnel needs can be satisfied by hiring graduates or co-ops from nearby Mississippi State University (MSU). Programming personnel can also be hired from MSU to create software to be bundled with Holstaht products.

WiRAD™ and future Holstaht products will be marketed online in the form of advertisements. These advertisements can be strategically placed on the web portals of popular Internet radio networks and stations. In addition to this, Holstaht products will be marketed on television and at trade shows.