Patent Pending

# HoverWalker

Business Plan 2020

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# Confidentiality Agreement

The undersigned reader acknowledges that the information provided by HoverWalker in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of Hover Walker.

It is acknowledged by the reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to Hover Walker.

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Signature________________________________Date____________________________

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This is a business plan. It does not imply an offering of securities.

# Executive Summary

8.4 million people in the USA use a cane, crutches or walker. Because of this, Hover Walker has developed a revolutionary healthcare product. Their invention, the Hover Walker is a modified seated walker add-on for the popular “Hoverboard” self-balancing scooter. The compact,  easy-to-store design of the Hover Walker gives it’s users the versatility of choosing between walking and riding. Hoverwalker is a Nevada based business company owned by Flamingo East Corporation.

The Hover Walker is broken up into Three parts,

the “bracket” , walker and the hoverboard.

The bracket is an easily attachable platform that connects to both the hoverboard and the walker. The user then steers the HoverWalker with their feet, controlling the speed also, with their feet.  This allows the HoverWalker to provide its users not only increased mobility, but also increased strength thats works to bring power back to those who are rendered unable to walk.

## Funding Terms

The company is seeking an investment of $500,000. The investmed capital will be used to bring the inventions of the company to fruition by leasing manufacturing space, equipment, and workers. Repayment of the investment will be made through dividends and a potential IPO.

## Marketing Plan Summary

Our business will dominate the attention of our target consumers world-wide and locally through television;

- Media (Radio, Television)
- Pay Per Click(PPC) advertising campaigns on YouTube, Facebook, Instagram.
- Online niche portals related to healthcare and handicapped living blogs

# Company Description

HoverWalker is a revolutionary mobility product designed and distributed by Flamingo East Corporation. The HoverWalker is a seated-walker with an attachable bracket that allows a normal walker to be transformed into an affordable alternative to an electric scooter. Made to be compact, durable, portable, and easy-to-store.

## The HoverWalker

The HoverWalker is broken up into three parts:

- The “bracket” which is an easily attachable platform that connects to both the hoverboard and the walker.
- The walker
- A two wheel hoverboard is used to propel the walker forward, with the user Controlling the speed and direction with their feet.

These features provide our users not only increased mobility, but also increased strength thats works to bring power back to those who are rendered unable to walk.

## Company Location, Formation, and Ownership

Hoverwalker, (and HoverChair) is a DBA of Flamingo East Corp founded in 2018 in the state of Nevada. It is owned and operated by Robert Haenel. The company’s current mailing address is: 205 N. Stephanie St. Ste. D Henderson, NV 89074.

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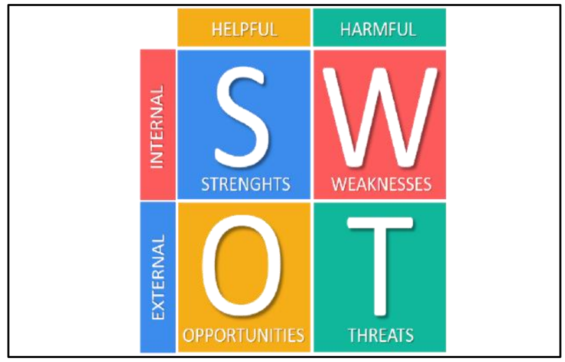
# SWOT Analysis




## Strengths

- Our business is offering a product that has not yet been offered by any mobility companies.
- Our product works to improve the lives and overall individuality of those with handicapped walking abilities.
- The aggressive and focused marketing campaign that we will run has goals and strategies to create immediate impact towards the market and its participants.

## Weaknesses

- Poor consumer confidence, uncertainty and pessimism in new startups, are not only valid but fueled by media and other companies.
- Our financial resources, such as funding, sources of income and investment opportunities limit our reach and impact in the market.

## Opportunities

- Our business is constantly seeking to invent new technologies that both improve existing designs, as well as the lives of the people they help, ***we also currently have our HoverWheelChair patent pending.***
- No better time to start a business with low interest rates and affordable prices in technology advancements.
- The proper use of the internet will allow us to market our products to a greater number of potential customers with less marketing dollars by leveraging SEO, PPC and Social Media marketing. ***In addition, AARP is one major advertising channel we expect to use.***

## Threats

- As our initial premiere will require a substantial investment, the outcome of it may determine the future of our business.

# Medical Device Manufacturing US Industry Analysis

Medical devices are essential healthcare products. Therefore, their producers are generally protected from significant revenue volatility. However, these products are also more expensive, which makes the Medical Device Manufacturing industry slightly more vulnerable to fluctuations in economic conditions. Technological advances, increased healthcare spending and the improving economy have stimulated demand for medical devices over the past five years, and the aging US population has further contributed to revenue growth, due to the high incidence of health issues requiring medical devices among the elderly. However, declines in the manufacturing sector as a whole have affected the industry, resulting in an overall decline in revenue. IBISWorld expects industry revenue to decline an annualized 1.3% over the next five years, including 2.7% growth in 2018 alone, to total $39.5 billion.

| Key Statistics Snapshot | Revenue | Annual Growth 13–18 | Annual Growth 18–23 |
|---|---|---|---|
| | $39.5bn | -1.3% | 3.0% |
| | Profit | Exports | Businesses |
| | $1.8bn | $11.9bn | 842 |

Despite strong domestic growth, the total value of industry exports is expected to fall an annualized 2.0% over the years, but this trend is expected to slow over the next five years. Growth in medical device manufacturing in other countries has led to decreased exports and increased imports. Continued globalization will also affect the composition of the industry over the next five years, as companies increasingly outsource manufacturing, research and development (R&D) and other operations, reducing the total number of industry operators. At the same time, profit-squeezed industry operators looking to gain market share will seek to procure new technologies by acquiring small, innovative companies instead of investing in their own in-house R&D. However, with a growing number of small niche manufacturers, the total number of operators is expected to grow at an annualized rate of 1.8% to 842 enterprises over the next five years.

Over the years to 2023, the industry is expected to return to growth, with revenue increasing at an annualized rate of 3.0% to $45.8 billion. The aging baby-boomer population and technological developments will continue to bolster industry growth, while the changing regulatory environment will likely support profitability. In addition, input prices are expected to rise only slightly, resulting in profit marginally increasing from 4.6% of revenue to 4.8% in 2023.

## Current Performance

As a highly competitive, high-margin industry that produces largely nondiscretionary products, the Medical Device Manufacturing industry has performed well over the past five years. Revenue fell early in the period, as slim profit margins constrained hospitals' ability to raise capital for large purchases. However, revenue is expected to grow 2.7% to $39.5 billion, as an aging population, the expansion of healthcare coverage and technological advances bolster market growth. The improving economy has encouraged more consumers to seek medical care, and spending on healthcare has subsequently increased at an annualized rate of 3.5% over the next five years. As more individuals increase spending on healthcare and are diagnosed with conditions requiring medical devices, demand for industry products will increase. However, the declines early during the period have resulted in an overall drop in revenue over the past five years. Over the next five years, industry revenue is expected to decrease at an annualized rate of 1.3%.

Additionally, rising costs are placing downward pressure on industry profit. To offset costs, companies are increasingly outsourcing manufacturing functions, implementing automated processes over pricey human labor and looking to acquire smaller companies with disruptive and innovative technologies.

## Aging population

Incidences of disease and disorder increase with age. According to data from the Centers for Disease Control and Prevention, people aged 65 and older account for about 40.0% of those diagnosed with some form of heart disease or arthritis. Recent medical advancements, coupled with improved nutrition and safety standards, have boosted the size of this age group at an annualized rate of 3.3% to 52.5 million people over the next five years.

Moreover, partly due to the increasing number of people who require medical treatment, the healthcare system is adjusting to meet the needs of this growing population. Compared with previous generations, baby boomers have a greater interest in managing their own care, as they are more affluent, better educated and more engaged in their wellness. These consumers are particularly interested in patient-centered, in-home care for individuals with diabetes, heart disease and other chronic conditions. Current technology is advancing to meet this demand with home medical devices that quickly and easily link to a healthcare provider's electronic records.

## Regulation and profit

Industry operators often have the weak hand in price negotiations, with large purchasing groups acting as distributors for about half of the nation's hospitals. Most large manufacturers rely heavily on purchasing groups to distribute their products. Smaller medical device and supply companies are often shut out of sales to hospitals, as larger competitors usually secure exclusive contracts with purchasing groups. Since these purchasing group customers comprise a considerable percentage of industry revenue, manufacturers sometimes have to concede in pricing negotiations.

**Consolidation and globalization**

Consolidation has driven mergers and acquisitions within the industry, as manufacturers are more likely to secure contracts with large purchasing organizations if they can offer a wide product assortment. Shorter product life cycles and higher costs of developing new technology have further driven industry consolidation, as both of these trends encourage large players to acquire new technologies from small companies. However, while the largest companies are expanding their product lines, small companies are emerging in niche markets. Though there is a significant amount of consolidation among larger companies, the industry is growing as a result of this increased niche participation. The total number of industry operators is expected to increase at an annualized rate of 1.8% to 842 operators over the next five years.

Historically, the industry has maintained a low level of outsourcing activity. In the past, medical device manufacturers avoided outsourcing because cost and time to market had not yet become major factors driving product development and manufacturing. Companies experienced stronger profit margins and ample cash flow, providing them with the resources to invest in facility infrastructure and the equipment necessary to manufacture their own products.

Today, tightening global regulations, increased global competition and new market opportunities have prompted manufacturers to outsource a range of critical operations. Despite some reasons for keeping production domestic, such as perceived concerns about quality control, regulatory compliance and competitive pressures, higher competition makes outsourcing an increasingly attractive option to industry players. At the same time, many of the traditional barriers to outsourcing have lessened or disappeared. The industry has become more globalized over the past five years, with medical device manufacturers growing stronger in other countries. This growth has resulted in the value of exports decreasing at an annualized rate of 2.0% to $11.9 billion.

Despite outsourcing, industry employment has continued to grow over the past five years, rising an annualized 1.3%, to 84,368 employees during the period. However, the most-skilled work, such as product design and engineering, is still largely done in the United States, as indicated growth in wage spending, which has increased an annualized 2.1% to $8.1 billion over the past five years.

## Industry Outlook

Factors that affected the Medical Device Manufacturing industry over the past five years, such as healthcare reform, technological advancements, outsourcing, regulation and an aging population, will continue to drive industry development over the next five years. The combined effect of these divergent factors is forecast to bolster revenue growth at an annualized rate of 3.0% to $45.8 billion in 2023.

The changing demographics of the United States favor the industry. Although the majority of baby boomers are still under the age of 65, a significant portion of this group will cross this age threshold over the five years to 2023, resulting in annualized growth of 3.2% for the 65-and-over demographic. Medical innovations will continue to expand the average lifespan, with high-tech fields such as biotechnology and 3D printing likely enabling the development of new therapeutic and diagnostic product lines.

### Effects of legislation

Recent changes to healthcare legislation has created a degree of uncertainty for medical device companies. However, IBISWorld expects the average profit margin for industry operators to rise slightly from 4.6% in 2018 to 4.8% in 2023. Moreover, the Physician Payment Sunshine Act is expected to increase industry costs and possibly reduce revenue because it requires covered manufacturers to annually report any transfers of value to physicians. Some small payments and other payment types are exempt from the disclosure obligations, but the industry may have cause for concern nonetheless, due to the increased costs of monitoring and accurately reporting such activity.

Recent legislation, however, will likely continue to benefit the industry, as US healthcare reform is aimed at expanding coverage to a broader range of patients. The act accomplishes this by significantly loosening the eligibility criteria for enrollment in Medicaid, as well as making private insurance more accessible to consumers. As a result, more people will have access to healthcare, which will likely boost the average number of physician visits. This, in turn, will raise demand for some medical services and devices.

**Regulation and consolidation**

In addition to increased costs under healthcare reform, industry anxiety is mounting due to increased regulatory scrutiny and the FDA's impending 510(k) reform. Medical device companies must have 510(k) approval from the Food and Drug Administration to market products in the United States, and changes to the 510(k) process are expected to increase regulatory costs and restrain innovation.

Changes in the economic and regulatory environments will make it increasingly more attractive to do business abroad, as illustrated by some operators moving various functions overseas. Domestic consumers are continuing to accept products from abroad, as indicated by the anticipated annualized 1.8% increase in the value of industry imports over the next five years, totaling $18.9 billion in 2023. Many domestic industry players will also likely consider conducting research and development, initial product filings and product launches in other countries. However, small companies are expected to continue entering into niche markets, focusing on one or two medical devices. Consequently, the number of industry operators is expected to increase at an annualized rate of 1.9% to 927 operators over the five years to 2023. Similarly, industry employment is projected to grow at an annualized rate of 2.4% to 94,864 individuals during the outlook period.

**Downstream pressures**

Despite expected increases in medical procedure volumes, the prices that medical device manufacturers are able to charge will likely remain a concern for industry operators over the next five years. Although access to insurance will increase, standards for device reimbursements will become more stringent due to governmental cost-containment efforts for healthcare and continued pressure from local hospitals and health systems. The net effects of these pressures will likely drive customers to demand lower pricing. Moreover, stricter reimbursement requirements could directly hurt the total revenue of key customer groups, such as hospitals and clinics. Hospitals that receive small reimbursements per procedure will need to perform more procedures to justify new equipment purchases. In turn, manufacturers may be pressured to reduce per-unit costs to keep sales up.

With growth constraints in established markets, medical device companies will likely aim to expand into lucrative developing markets. Emerging markets such as China, India and countries in Central and Eastern Europe represent potential avenues for future industry growth. Demand for medical devices and services is expected to continue growing in these emerging markets due to their improving economies, rapidly increasing and aging populations and the prevalence of chronic disease. As a result, the value of exports is forecast to rise at an annualized rate of only 0.8% to $12.4 billion over the five years to 2023.

## Demand Determinants

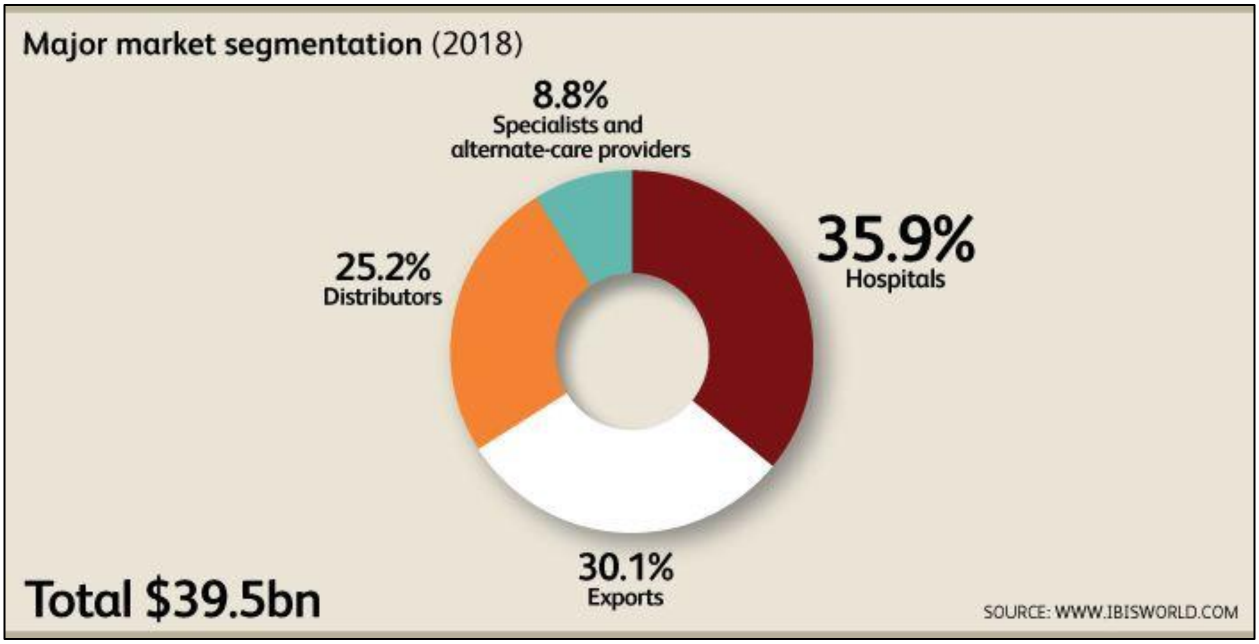
Demand for medical devices is influenced by demographic factors, government funding, regulatory framework and currency fluctuations. The age and health of the population drives demand for industry products and insulates the industry during periods of weak economic growth. An aging population and rising community expectations will drive demand for medical devices over the coming years. With the rise of conditions such as heart disease, cancer, AIDS and hepatitis, demand for specialized instrumentation and equipment such as ultrasonics, lasers, cardiographics and other electromedical and electrotherapeutic apparatuses will also rise.

Another important demand factor is the level of capital expenditure (both public and private) on equipment in the healthcare sector. Spending by hospitals and other markets is strongly affected by capital expenditure on health services. The age of capital equipment will determine demand for products, as the life span of equipment averages three to five years and can also be as little as 18 months.

Technological changes also drive demand for products. Demand increases with the development of new products, which can replace the functions of earlier equipment much more efficiently. The ability to patent new product innovations and other intellectual property rights encourages new product development and, consequently, demand for products. Without sufficient protection for intellectual property, manufacturers do not have adequate incentive to invest the large sums needed in research and development to develop new products. As demand is driven by new product introductions, intellectual property protection is an important factor supporting demand for electromedical and electrotherapeutic devices.

Medical specialists and surgeons influence decision making on the purchase of medical devices. Key considerations made when purchasing equipment include product performance, reliability of delivery, company research and development and customer service and support. The decision to use particular medical technologies is driven by medical practitioners in consultation with patients and the incentive structures of the healthcare system.

## Major Markets




The main markets for medical device manufacturers are hospitals and clinics, specialists and alternate-care providers, third-party healthcare providers, distributors and other institutions, including governmental healthcare programs and group purchasing organizations. In keeping with the increased emphasis on cost-effectiveness in healthcare delivery, customers of medical device manufacturers are consolidating into larger purchasing groups to enhance purchasing power. As a result, over the past five years, transactions with customers have become increasingly significant, more complex and tend to involve long-term contracts. This enhanced customer purchasing power has placed pressure on pricing and increased the use of preferred vendors.

**Hospitals and clinics**

Hospitals are the largest market for this industry, accounting for an estimated 35.9% share. Due to their size, hospitals have the resources to purchase larger, advanced medical devices produced by the industry. General medical and surgical hospitals require machinery and equipment so they can provide inpatient, outpatient and nonadmitted patient (e.g. emergency department) care, as well as teaching and research abilities. Smaller, community-based hospitals are more numerous and tend to be located closer to the population. These hospitals have different needs and will therefore require various types of electromedical and electrotherapeutic products and irradiation apparatus.

The number of physician visits, which affects demand for medical devices from hospitals, grew consistently over the past five years. The number of visits per person has recently increased slightly, to about three visits annually, largely due to the mounting prevalence of chronic disease and the aging population. The number of physician visits is expected to grow, due to health insurance exchanges and the subsidization of insurance premiums for individuals with income less than 400.0% of the poverty line. These initiatives, which are part of the Patient Protection and Affordable Care Act (PPACA) of 2010, have already begun to increase the number of individuals with healthcare coverage. Since insurance coverage reduces the out-of-pocket expense for physician visits, patients will be better able to afford doctor visits. Additionally, as Americans grow older and live longer, there will be greater public and private spending on healthcare, which is expected to help hospitals afford equipment upgrades. As a result, this segment's share of total industry revenue has grown over the past five years and is expected to continue to grow over the five years to 2023.

**Distributors**

Medical supplies wholesalers that account for an estimated 25.2% of the total industry market serve as a valuable link between medical device manufacturers and healthcare providers. They purchase large volumes of medical and surgical equipment, instruments and supplies from manufacturing companies, store these items at distribution centers and provide delivery of these products and related services to medical and dental practitioners, clinics and hospitals. Over the past five years, medical supplies wholesalers have tried to offer value-added services to customers to offset wholesale bypass, in which healthcare providers purchase medical devices directly from manufacturers, reducing the need for distributors. Nonetheless, wholesale bypass has caused this market's share of total industry revenue to shrink slightly over the past five years.

**Specialists and alternative-care providers**

The alternative-care market consists of more than 500,000 healthcare facilities and providers, including outpatient medical centers and surgery centers, medical and diagnostic laboratories, imaging and diagnostic centers, home healthcare service providers, long-term care providers and physician practices. The segment also includes specialists in disciplines such as ophthalmology, pediatrics and radiology, as well as dentists and optometrists. This group represents an estimated 8.8% of the market for medical devices.

The market for alternative care has grown over the past five years. The PPACA has improved access to various types of treatment and therapies. Changes under the reform package brought new rights and benefits to patients, extending opportunities for alternative care. In the past, critics have held that health insurance often steers patients toward medical doctors and away from systems and practices that are not considered part of the mainstream. In addition to expanding access to care, the PPACA is expected to give patients more treatment options and change the way that insurance companies compensate caregivers. While the PPACA has been changed recently, these rules have remained in place. This will cause increased demand for medical devices from specialists and alternative care providers.

**Exports**

The industry is global, and local manufacturers design and manufacture devices and apparatus not just for the domestic market, but for international markets as well. Exports represent 30.1% of revenue, and key markets include Japan, China, the Netherlands and Germany. The total share of industry revenue made from exports has decreased from 31.2% in 2013, as slow global economic recovery has kept demand sluggish in many downstream markets, while domestic demand has increased, widening the gap between exports and total revenue.

# US Intellectual Property Licensing Industry Analysis

The Intellectual Property Licensing industry is involved in assigning rights to assets such as patents, trademarks, brand names and franchise agreements. Operators in the industry own the rights to said assets and allow other businesses to use them for a fee, typically in the form of royalties. This industry does not include companies involved in the leasing of any real properties or tangible assets. Franchise agreements that allow the use of a name contingent on the purchase of products from a franchisor are also excluded. For licensees, the benefits of such an arrangement are many, such as greater exposure, customer loyalty and the capacity to charge a premium for a product with a name like "Disney" or "Coca-Cola" on it, all without having to build a brand name from the ground up.

| Key Statistics Snapshot | Revenue | Annual Growth 13–18 | Annual Growth 18–23 |
|---|---|---|---|
| | $44.7bn | 2.9% | 2.3% |
| | Profit | Wages | Businesses |
| | $15.1bn | $4.3bn | 5,868 |

Over the past five years, the Intellectual Property Licensing industry has grown amid broad economic improvements in the United States. Demand for premium brands increased with rising per capita disposable income and high consumer confidence, as marketing and advertising have an influential effect on discretionary consumer spending. Additionally, higher corporate profit created resurgent demand for intellectual licensing agreements and other services as small businesses purchased the rights to use major brands to access established consumer markets. Therefore, industry profit has risen and new operators have entered the industry. Overall, the Intellectual Property Licensing industry is expected to grow at an annualized rate of 2.9% to $44.7 billion over the five years to 2018. Revenue is expected to grow a moderate 3.1% in 2018.

Over the next five years, growth is expected to be more subdued compared to the previous period as the overall economy emerges from the throes of economic recovery. Consumer spending will continue to rise, while stronger macroeconomic conditions will encourage new business ventures and intellectual property protection. Advertising expenditure is also expected to increase, and operators will be able to generate an increasing share of revenue through digital media. Nonetheless, threats to the industry continue to hinder chances at massive growth. Online piracy will remain an issue for non manufactured goods, and the potential repeal of net neutrality would strengthen the prevalence of piracy. As a result, industry revenue is forecast to grow an annualized 2.3% to $50.0 billion over the years to 2023.

## Key External Drivers

**Corporate profit**

A change in corporate profit affects companies' ability to lease intangible assets, such as the licensing provided by the industry. Therefore, rising corporate profit causes industry revenue to expand..

**Total advertising expenditure**

Total advertising expenditure measures the sum of US advertising expenditure and an estimate of unobserved US advertising expenditure, such as direct mail, sales promotions, catalogs and business publications. Higher advertising assists brand names, resulting in higher industry revenue

**Consumer spending**

As consumer spending rises, spending on branded items that are manufactured under intellectual property agreements rises, which increases industry revenue. Consumer spending is expected to rise, representing an opportunity for the industry.

**Per capita disposable income**

An individual's disposable income determines their ability to purchase goods or services. Increases in disposable income enable consumers to purchase a greater number of products, including those produced and provided by licensed companies. Per capita disposable income is expected to increase.

**Percentage of services conducted online**

The percentage of services conducted online is expected to continue to rise,

## Industry Life Cycle

The Intellectual Property Licensing industry is in the mature stage of its economic life cycle. The industry is characterized by growth in line with that of the overall economy. Intellectual property assists inventors of new products and systems to be exclusively financially awarded for new developments. Industry value added (IVA), which is used to measure an industry's contribution to the overall economy, is anticipated to rise at an annualized 2.4% over the next 10 years.

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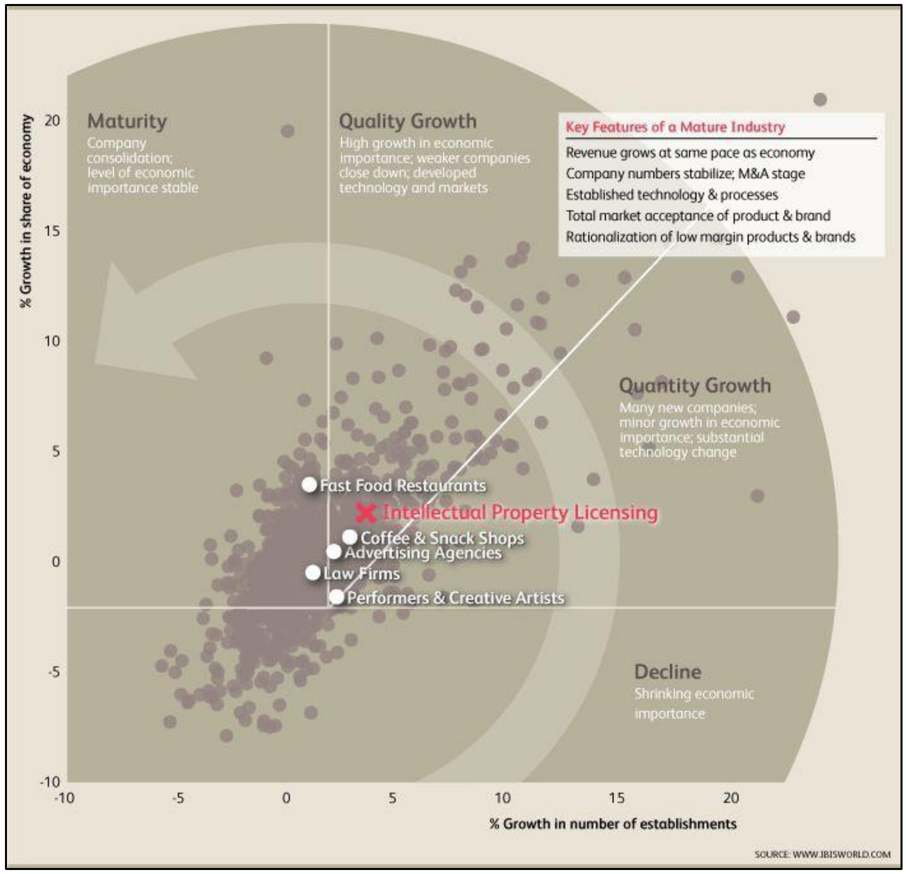
## Current Performance




The Intellectual Property Licensing industry has fared relatively well over the years as a result of broad economic improvements in the United States. The Intellectual Property Licensing industry is involved in assigning rights to assets such as patents, trademarks, brand names and franchise agreements. Operators in the industry own the rights to said assets and allow other businesses to use them in exchange for a paid fee. Following the struggles of the previous period, the industry rapidly increased revenue during the first half of the five-year period. Nevertheless, businesses across the United States began to reverse the trend of contracting corporate profit and were able to reinvest in research and development, as they were no longer forced to cut costs to preserve profit margins.

The industry's prospects have since increased as investments into brand names have improved with the overall economy. Increases in consumer sentiment and per capita disposable income have led to higher levels of consumer spending, boosting demand for industry services. Additionally, stronger corporate profit margins have further encouraged businesses to invest in property licensing. Stronger advertising expenditure will also help drive licensing. Thus, revenue is forecast to grow at an annualized rate of 2.9% to $44.7 billion over the next five years, with an increase of 3.1% expected in 2020 alone.

**Consumer demand remains steady**

Over the years, consumer sentiment and per capita disposable income have both improved markedly as the overall economy returned to growth. A stabilizing housing market and recovering stock prices precipitated improvements in consumer sentiment. As a result, demand for premium brands increased and companies such as The Walt Disney Company and The Coca-Cola Company increased their licensing revenue. These optimistic trends slowed somewhat in 2015 as corporate profit underperformed, a trend that continued in 2016. Now, consumer spending gains, strong per capita disposable income growth and rising advertisement expenditure are expected to yield a 3.1% revenue increase for the industry.

**Business investment**

Business investment has been on the rise over the past five years. The industry was initially well-positioned by growth in consumer spending and company restructuring efforts that resuscitated profit margins, which helped companies purchase licensing agreements and other intellectual property licensing. For instance, smaller businesses purchased licensing arrangements to access already-established consumer bases. Higher corporate profit enabled these smaller companies to expand operations in manufacturing, product distribution and other licensing activities. This was also aided by increased advertising expenditure, which created greater consumer demand for industry products. Conversely, a deceleration of corporate profit in 2015 and 2016 made investors and companies a bit more cautious in their spending, limiting industry growth over those two years.

The industry benefits from brand marketing and provides licensing to arts and entertainment companies, which use trademarked characters and images, copyrighted music and other materials. Total advertising expenditure is expected to increase at an annualized rate of 4.2% over the five years. This will include traditional television and radio advertising, as well
as new, more interactive advertising through websites and other online media. Consumers still spend more time watching TV than using other media, but audience fragmentation has become a key issue in businesses' willingness to invest in TV advertising in the future. However, total advertising spending is expected to grow 4.1%, in line with the previous year.

**Profit and industry size**

The sale of licenses, such as patents, trademarks and copyrights, are intangible and have no real incremental costs associated with them. For this reason, industry wages and purchases are low and companies are able to achieve high profit margins.
Rising consumer demand and business investment provide customers with the funds to license intellectual property.
As a result of relatively high profitability compared to other industries and low risk associated with assigning manufacturing rights, the number of industry establishments is forecast to grow at an annualized rate of 4.4% to 6,005 over the five years.

Furthermore, the number of industry employees has also grown, but at a slower rate; many companies have retained their cost-saving positions implemented to handle slowing demand in recent years. The number of employees has grown at an estimated annualized rate of 0.4% to 39,625 individuals over the years.

## Industry Outlook

Continuing macroeconomic improvements are expected to bode well for the Intellectual Property Licensing industry over the next five years. Increasing per capita disposable income will help boost consumer spending on a variety of items, while rising advertising expenditure will encourage consumers toward brand names. Additionally, steady corporate profit growth will create an incentive for new businesses to enter the industry and for existing companies to invest in new manufacturing. As a result, industry operators are expected to experience an uptick in demand as branded products become increasingly popular. Advertising companies will also continue to create demand for intellectual property licensing as a variety of new media, such as online information, use copyrighted and trademarked goods.

Overall, the industry is expected to grow at an annualized rate of 2.3% to $50.0 billion over the five years to 2023.

**Slower growth in consumer demand**

Over the years to 2023, consumer spending is forecast to grow at an annualized rate of 1.8%. A lower-than-historical-average national unemployment rate is expected to boost per capita disposable income and trigger new spending. While IBISWorld expects this to be the general trend during the outlook period, the high level of volatility inherent in the Consumer Confidence Index (CCI) makes it likely that individual months and years will vary substantially from projections. As the CCI ultimately reverses direction and begins to fall during the coming five-year period, demand for industry products will slow, contributing to subdued expected growth over the five years to 2023.

Additionally, corporate profit is expected to grow at an annualized rate of 2.2% over the five years to 2023 and is anticipated to help the industry expand. Manufacturers of brand-name products will continue to enter the economy, paying to access established markets with thoroughly developed brands. Total advertising expenditure is projected to improve at an annualized rate of 3.0% over the five years to 2023. This will serve as the main driver for new sales and, therefore, copyright and trademark revenue.

**Business investment**

The industry is also expected to grow over the next five years as a result of the multitude of emerging mediums and revenue streams.

The rising pervasiveness of online marketing channels is likely to increase the value of product branding. This will occur through several mediums, such as traditional online websites, smartphone devices, social media and such, which are continuing to grow and use patented and trademarked products..

## Demand Determinants

As manufacturers (licensors) are the link between licensees and the final consumer, the manufacturer must determine if producing a brand name item will be more beneficial than producing a non-branded item. Similarly, a gas station operator needs to determine if it is more profitable to lease the brand name of an oil company, or operate an independent gas station.

**Expected benefits from brand rights**

Brand names may be able to provide leverage to a licensee and allow greater profit to be made. However, if a licensee pays too much to use a brand name or patent lease, the company's ability to remain profitable could be harmed. Similarly, the popularity of a brand can affect demand for licensing rights. For long-term contracts, clients are likely to consider a brand name's staying power.

**Flexibility to operate under the license conditions**

License conditions can affect licensees in a variety of ways. For a manufacturer, a change in production techniques to produce new items needs to be cost effective. For example, to manufacture items for the Walt Disney Company, a licensee may need to adopt new production methods and alter existing logistical processes. If it is too costly to make these changes, the manufacturer may not pursue this strategy.

Further, gas station owners are required to change many operating procedures following the implementation of a franchise agreement with an oil company. Changes may include the sourcing and delivery of gas; signage and advertising; operating hours; and many other criteria.

**Target market of a brand**

Brands develop a highly specific identity over time, and that identity is closely aligned with a certain target demographic market. For example, Disney products are overwhelmingly aimed at children (Disney's films containing adult content are released under the Touchstone label), while Coca-Cola is aimed at teens and consumers in their early 20s as a beverage before changing focus and becoming a mixer for alcoholic beverages for older customers.

The viability of a brand to be a profitable addition to a company's operations is proportional to the company's ability to access that demographic. For example, opening a Subway restaurant in an area where few people are interested in either healthy or convenient food is not a profitable notion.

**Marketing budgets and disposable income**

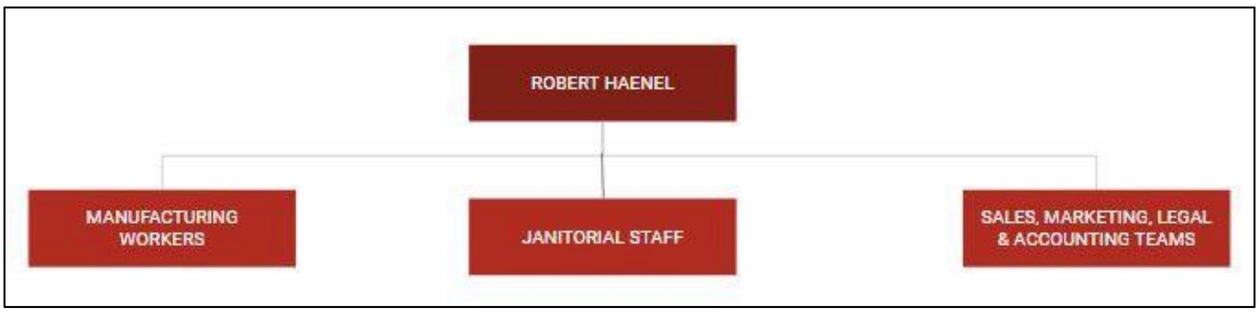
One of the primary products of licensing companies is the rights to a brand name or image. During periods of economic decline, people often reduce spending on discretionary items. In turn, reduced spending can lead to a decline in industry demand, causing a loss of licensing revenue as businesses reduce their marketing budgets.

## Major Markets

Operators in the industry sell copyright, trademark, patent and franchise licensing to a range of different businesses that require the rights to intellectual property. The single largest market for industry operators is entertainment, followed by women's and men's consumer goods. Industry operators tend to specialize in the provision of copyright and trademark, patent and franchisee licensing to a single market to have a detailed understanding of the limitations of products.

The company’s management is led by the founder Robert Haenel. The founder is committed to making the newly formed business a success, and he understands what it takes to make this business both profitable and sustainable. Under his direction, the company has proposed the following organizational layout:

A good team that truly adds value is not just a group of high performing individuals but a balanced team with complementary skill sets and a culture that allows them to work together to make the most effective decisions for our organization. While the leadership from the top is crucial, the participation of every team member is also essential for effectiveness. We are confident that the team we will attract will continue to execute in a timely manner the business plan presented.



# Marketing Plan

The company currently has its management members focused on executing this business plan. The team is focused on creating a strong brand, mainly by marketing themselves online. In addition, we will make an effort to open several franchise locations across the country, increasing brand awareness on a national level. We will be executing the following marketing strategies post-investment:

- **A Facebook & Instagram Page**: A Facebook and Instagram page will be started.  Administration duties will be outsourced.  Each post will engage users by asking a question, propose an idea, calls to action, or a sale of some form. Content will mainly be pictures of our products or customer submitted photos of them enjoying our products, effectively creating marketing/sales collateral to initially establish ourselves as a trusted brand. Our business will include the hashtags and geolocations with the heaviest pertinent traffic in our posts. These will be hashtags such as #Hoverboard, #Handicapped, #Innovation,  or any other hashtags that my drive pertinent traffic or create an initial buzz.
- **Television Commercials**: We will purchase airtime on primetime TV stations such as Fox, or any other stations that primarily feature racing events or are centered around sports.
- **Strong Cost Per Click Advertising**: Our business will have an aggressive and targeted cost-per-click advertising campaigns on platforms such asFacebook, Twitter, and Instagram. This strategy will be used to drive traffic to our website in the most cost-effective, efficient manner possible manner.
- **A Blog Ecommerce Website:**A handicapped living and mobility blog website will be started.  Articles will be published regularly.  Each blog post will have at least 500 words, all original content, one unique photograph hyperlinked to another page on the website, three keyworded-text hyperlinks to other pages on the website and off website; and Twitter/Facebook links at the end of each post.

**A**

**Advertising will also include AARP magazine**

## *Patent and Trademark have been issued*

## Conclusion

The company's management is confident that Hover Walker can achieve its conservative financial projections, generating a gross revenue in excess of $1,000,000 in year one after the opening of the business. In addition, management has carefully considered its market, potential customer base, and its ability to grow its sales average to capture market share of the total population in our area of business. With our projected numbers, and the total market share and revenue in the industry, we confidently project over a $10,000,000 entity value in year four.

As owners, the Managers' commitment is to take personal accountability for all financial debt. The Company has taken the necessary precautions to ensure the business is fully capitalized and has addressed all financial shortfalls to ensure a successful business expansion.

In all the above we intend to communicate our ability to create a product that will satisfy and exceed our audience's wants and needs. All the above promotional tools that we have mentioned throughout the plan shall be well integrated and utilized in tandem so as to maximize their effect.

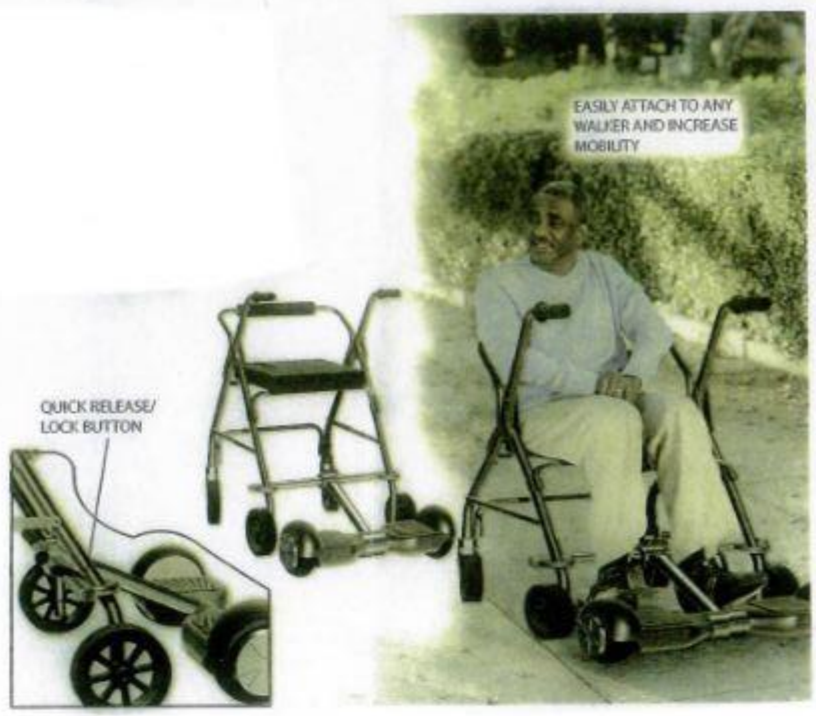
Entrepreneurs have a tendency to paint any business plan with a very optimistic brush, highlighting strengths and camouflaging the risks. The Company Managers, as business owners, have a vested stake and financial commitment in the success of this business. The Company has taken all precautions to validate the Company business and financial models, focusing on realistic projections. If you have any questions, please contact us directly.

# Appendix


EASILY ATTACH TO ANY
WALKER AND INCREASE
MOBILITY
QUICK RELEASE/
LOCK BUTTON

# HOVER WALKER

**OBJECTIVE:** The invention is a modified walker that would incorporate hoverboard technology.




## INSPIRATION FOR THE INVENTION:

"I developed my invention due to personal experience. People who use mobility walkers usually get tired and have to stop and rest by sitting on the seat. My invention will allow users to choose between walking and riding."

## BENEFITS:

- Allows the user to increase strength
- Prevents injury and overexertion from walking too far
- Empowers patients to become an active participant in their recovery and ongoing well-being
- Fosters a sense of independence and accomplishment for people with disabilities

## FEATURES:

- The item would consist of a collapsible walker with a rolled metal construction
- It would feature four wheels, two padded handlebars and a seat/storage container in the center
- Unlike traditional walkers, the front would incorporate two larger wheels connected by a plastic platform
- These wide tires would glide over rough terrain and provide stability for the patient in both capacities as a walking aid and a riding mobility tool
- When sitting down on the walker, the user could rest his/her feet on the pressure-sensitive board
- The pressure applied to this board would allow the user to move the walker and control the speed
- In the event the user needed to stop quickly, lifting feet off hoverboard would stop unit
- A breaking mechanism would also be incorporated in the design
- An assistant could stand behind chair and control hoverboard while someone is also seated

## DEVELOPMENT:

- Patent Pending

PATENT PENDING

Patent Has Been Issued, Trademark Is Pending