**Vision**

VirtualDesign Network™ foresees an all-digital world of work. The company is creating an environment in which the leading thinkers who define the material world that we live in – the designers, artists, musicians, technical specialists, executives, educators, and government workers – have the ability to manipulate their work in digital form and share it in real-time with colleagues, co-workers, knowledge communities, general audiences and other interested parties. VirtualDesign Network's community, The VirtualDesign Network, holds the key to enable a global workforce and every organization's internal work teams to become more fluid. Groups of workers from dispersed geographic locations can form and work together, face-to-face, on projects by collaborating and sharing their text, multimedia, high resolution graphics, 3D graphics, AutoCAD drawings, video and audio files on the Web. Upon completion, the groups can disband and join new work teams for other projects. The reality of this future is here today. As this digital world advances, VirtualDesign Network foresees the advent of "multimedia centers" in hundreds of high population areas that will expand the audiences for local and regional artists and businesses on a global basis. In short, VirtualDesign Network is changing the way the world works.

**Corporate Overview**

Founded in 1997, VirtualDesign Network represents a synergy of innovative ideas, insights, and depth of experience not often found in a start-up. When this is linked to the imminent emergence of high-speed broadband availability over the public network, it results in a unique opportunity to delineate and service a number of lucrative segments with the global Internet market. The education, design and content-production segments anticipate steep growth over the next several years; VirtualDesign Network is positioning itself to ride that wave.

VirtualDesign Network is a new form of service provider called Collaboration Service Provider (CSP). As a CSP, VirtualDesign Network provides a subscription-based service, called Virtual-WorkSpaces™, that offers the needed tools for real-time, browser-based, true collaboration, including multi-point video and audio Web conferencing; shared on-line work spaces for the creation and review of documents, including graphic designs, engineering drawings, streaming media content, print and Web site production; markup approval; management; and content distribution.

The VirtualDesign Network was created to serve as the hub or "nervous system" for designers, engineers, architects, educators, creative media producers and business professionals. This network provides an all digital work environment that makes it easier to share ideas, documents and graphics, plus maintain face-to-face, real-time interactions without the hassle and expense of travel.

## Business Model

VirtualDesign Network is a privately-held company that has chosen a magazine-like subscription model for its business. Like a magazine, the company's services are available on an annual or monthly subscription. The company is supported by a core staff that is relatively constant in size and that can deliver its services to a vast numbers of subscribers. The primary difference is that while a magazine sells content, VirtualDesign Network sells access to its collaboration network and services. In this model, VirtualDesign Network employees are able to focus on ways to develop and extend the company's services, marketing and customer support. This approach enables VirtualDesign Network to maintain a core internal team that's typically smaller than other start-ups yet with the ability to scale as the company's subscription base and services expand. From a financial perspective, this business model means a lower cost of doing business.

## Products

Virtual-WorkSpaces™ gives professionals all of the tools and technologies that they need to work in the 21st century without losing sight of their familiar 20th century production values and techniques. This subscription service enables creative professionals to:

- Shorten project and production schedules
- Solve problems immediately in real-time
- Improve the final quality on projects
- Reap the long-term cost savings available by continued use of collaboration tools
- Improve ROI by enhancing productivity and reducing travel budgets
- Make their businesses more competitive by leveraging emerging technology

It does so by providing the access, training, tools, and browser-based technologies that professionals need to transition to and maintain an all digital, intensely interactive, high resolution, real-time, broadband and collaborative workspace.

Virtual-WorkSpaces offers a shared collaborative work environment with multipoint video and audio Web conferencing, messaging, project management, personal and public calendars, as well as other tools that will make an all-digital, shared collaborative workspace the preferred way of working.

These tools can be used for the creation, markup, review and approval of graphic designs, marketing and advertising materials, large engineering drawings, manufacturing workflow diagrams, streaming media content, print and website production, management and content distribution, as well as the standard office files, such as Microsoft Office documents.

By subscribing to Virtual-WorkSpaces, users receive the hardware, browser software, collaborative toolset, training, support and connectivity needed to gain quick access to the digital domain. Virtual-WorkSpaces serves as the hub for storing copies of project documents, including all the company, vendor, contractor, subcontractor and customer data needed to enable participants from these groups to collaborate on projects, hold impromptu meetings, and manage projects in real-time, on the Web.

**Markets**

VirtualDesign Network's market comprises users who require on-going, high-intensity interactions; who rely on high-resolution graphic content to communicate; and who need to exploit the capabilities of the high-speed Internet to reduce project costs in an all-digital environment. These collaborators are typically found in the world-wide community that includes graphic designers, educators, architects, engineers (civil, mechanical and software), commercial artists, musicians, media designers, audio production personnel, video production personnel, MP3 encoders, 3D animators, multicasting engineers, product and packaging designers from creative organizations, such as advertising agencies, corporate IT departments, movie production studios, record companies, government agencies and Fortune 1,000 businesses.

VirtualDesign Network's customers are those who depend on fostering their creative process to maintain a competitive business edge, those who want to improve their ROI, and those who are working with teams that are geographically dispersed. VirtualDesign Network™ provides its customers with 24/7 access to a wide variety of high-speed, highly efficient, creative management tools for vastly improved production, project scheduling and communications – any time and any place.

VirtualDesign Network's initial target markets include the following six segments:

♦ **Architects, engineering, manufacturing and construction** – includes architectural firms, drafting firms, mechanical and civil engineering companies, manufacturing and construction firms.

♦ **Technology** – covers software development companies, computer-related hardware manufacturing engineers, electrical/electronic engineers, and software engineers.

♦ **Creative Market** – includes advertising and creative agencies that employ graphic designers, Web developers, audio and video producers, animators, multi-casters, musicians, artists and other creative professionals.

♦ **Fortune 1000 Companies** – This portion of the market requires security and Virtual Private Networks (VPNs) to provide confidential high-level collaboration between executives and their staffs. Senior executive time is such a valuable commodity that this group can immediately reap the benefits of less frequent travel, greater productivity and improved team interactivity.

♦ **Government & Military** – This segment needs specific customized solutions to meet special governmental and military standards and other distinctive requirements.

♦ **Education Market** – includes traditional four- and two-year colleges and universities, as well as on-line schools, technical and alternative teaching institutions and in-house training operations.

## Management Team

VirtualDesign Network's management team brings together a synergistic combination of innovation, insights, and depths of experience that are naturally linked, and the emergence of end-to-end broadband availability over the public network. They each have extensive management experience in a variety of disciplines – some in the creative space, others in the technical and engineering space, and still others in marketing. These executives include the following:

- ♦ ***Robert Ebert, CEO and President,*** has 30 years of business experience in owning and running creative business. He is a specialist in 3D animation, business graphics and technical illustration, and is well aware of the frustrations that designers face when attempting to manipulate their data in a digital format.

- ♦ ***Arnie Fuchs, Chief Financial Officer,*** has been managing businesses in Oregon for more than 34 years. He's a certified public accountant that splits his time as CFO for VirtualDesign Network and president and chairman of the board of Harris Thermal Transfer Products, a manufacturer of custom metal products.

- ♦ ***Ken Majors, Executive Vice President,*** brings 16 years of marketing and sales experience in developing new markets for the manufacturing, real estate, and financial industries.

- ♦ ***Troy Schulz, Product Development Director,*** heads up the engineering team with 6 years of engineering experience with a focus on project management and industry accepted product development best practices

- ♦ ***John Ebert, Vice President of Network Systems,*** uses his 20 years of PC hardware and software integration, circuit board design and network implementation to maintain and keep the VirtualDesign Network up and running.

- ♦ ***Laura Songer, Director of Operations,*** spent more than 12 years with Forms + Surfaces, a high-end manufacturing company based in Santa Barbara, where she was responsible for all aspects of sales, recruiting and customer relations.

- ♦ ***Bryce Brisbin, Director of Sales and Marketing,*** brings more than 15 years sales experience working for both high tech and consumer-focused businesses.

## Improved Collaboration and Beyond

VirtualDesign Network™ will expand and enhance its product tool set on a regular basis so that Virtual-WorkSpaces™ will evolve into the collaboration tool of choice within the next few years. In order to achieve this, VirtualDesign Network has designed itself to offer the best of breed, real-time, broadband collaborative workflow tools and services required by its select group of customers – creative professionals, including media producers, architectural, engineering, construction, educational, and manufacturing designers.