BUSINESS EXPANSION PLAN

'Phase 5'

GraniteNet Inc

15 Hilton Street, Southern Downs, Queensland, 4380

June 19, 2013

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Executive Summary

Vision Statement

GraniteNet's vision is to establish a sustainable community designed, owned and managed portal that will support the Southern Downs development as a learning community. Perceived benefits of GraniteNet for the Southern Downs include that it will be a tool that people of all ages and from all sectors of the community can use to share information, promote community activities and events, promote and foster learning opportunities

Mission Statement

"Computers and imagination go together. We need to explore the possibilities that computers offer for transformation and expanding our horizons."

GraniteNet will endeavor to become a valuable community asset that will enhance existing social networks, provide opportunities for growth and development and bridge the 'digital divide' that is said to exist between rural and metropolitan communities.

The Product

GraniteNet Inc. provides an existing variety of social enterprise modules, which are directly in the line of Information Technology, aimed at the local community's needs. Expansion into new fields and formalising existing social enterprise modules will allow GraniteNet Inc. to grow to meet the demands of the training market and the needs of community groups in the region. The community Portal is designed as a central hub for the community, and would continue down this path on a bolder scale. A proposed workshop would allow GraniteNet to provide information to community groups on social media targeting and why they need to be on the web, as well as primarily to promote GraniteNet's product, whilst collecting essential data to support growth into specific areas.

The Market

Existing marketing strategies have maintained a regular income for GraniteNet in the past, but with a growing need for additional income to leverage new projects, more prospecting is required due to a limited market share within the local region and location of current operation. GraniteNet strives to meet it's mission obligations, and caters to all reaches of the Southern Downs community, along with a handful of individuals from outlying regional centres. Future consideration has been given towards expansion of the now existing retail module, and an expansive and adaptable budget for advertising has been established, along with a sales budget specifically for the 'start' of this module. A good deal of focus needs to be maintained upon community groups, for it is through them, and the networking that results that word of mouth travels, and it is still the best form of advertising.

The Competition

The initial governance of GraniteNet Inc. developed a strategy that did not intrude on any local businesses, but inevitably this initiative has altered gradually over time to establish indirect

competition. This competition within the local region of operation is essentially nullified due to the carefully chosen products and services selected for sale by GraniteNet Inc.so that they have no association or comparison to local competition.

Operations

GraniteNet Inc. employs volunteers for all active duties in-house, and all are familiar with most daily duties. Present strong ties with community groups, and developing strong ties within our local networks only stands to benefit GraniteNet Inc. in the future, and paves the way to establishing a good repour with recent retail suppliers.

Capital Requirements Plan

For a minimal outlay for phase 5 of Approximately $1050 GraniteNet Inc. can expand to reach a greater share of the market, and expand on it's existing community networking ties within the Community Directory.

Phase 5a will require additional funding to actively promote the greater share of the market. Focussing on the new services on offer. Funds will be minimal, as it is costed only by transportation requirements and printing costs. (Approximately $500 per sector)

The Company

Company History

The GraniteNet Community Portal was established in 2000 following receipt of $280K in Networking the Nation Funding in 1999. The portal http://www.granitenet.net.au/welcome.cfm is currently operational but has encountered difficulties in terms of management, sustainability and governance.

The Granite Belt Learners (GBL) group has invited the University of Southern Queensland to work with them and the local community to develop a model for community portal operation and governance that is self-sustaining and will support Southern Downs's development as a Learning Community.

This proposal outlines the activities of an "Action Research Project" to be undertaken collaboratively with GBL to:

• Develop a business case and funding submission to support the development of a sustainable, community designed, owned and managed portal that will enhance Southern Downs's development as a learning community; and
• Within identified constraints design and develop a prototype community portal demonstrator capable of showcasing the proposed capabilities (Phase one of Project Phoenix).

Goals and Objectives

A web based portal environment that transcends Southern Downs Community.

A virtual environment; where members of the community either individually or in social groups interact daily. Where interaction becomes part of the daily Southern Downs experience, focusing on Lifestyle, Health, Innovation, Creativity and Opportunity within a "Learning Community". Using existing consumer devices (Televisions, Mobile telephones, wireless PDA's) and broadband telecommunications, the community connects to GraniteNet Phoenix whenever, wherever.

• Community groups choose GraniteNet as the preferred vehicle to distribute newsletters to members.

• Sporting clubs advertise sporting calendars, events and results.

• Bookings for services are on-line (Restaurants, Squash and Tennis Courts, Car servicing, Dental and Doctors appointments)

• All members of the community have their own email address and customizable virtual space.

• Community members can create their own Blogs and websites.

• Identity management provides individual community members with a unique identity with multiple profiles based on personal interests and Community Group membership. Age based profile establishes your Phoenix experience.

• Businesses choose GraniteNet to advertise and provide gateways for e-commerce activities that fund ongoing operation. Business has its own content management tool enabling businesses to manage and maintain their own content on-line.

• Communities of interest are established where members of the community interact in virtual environments for social online games or interactive forums and discussion groups.

• Multilingual groups are established in a virtual environment enabling members of the community with common origins to interact in their own language and virtual space.

• Secure E-Commerce gateways enable secure on-line financial transactions.

• Community groups with assigned moderators manage GraniteNet content from their own homes or locations with user-friendly content management tools.

• An on-line Community Trader enables the community to advertise and sell items on-line.

• Health monitoring is enabled through intelligent agents located around the home, interfacing to remote 24 x 7 monitoring centres via a set-top box connected to your television.

• Household security monitoring can be linked to a central community monitoring system.

• Personal medication reminders and event calendars automatically interact with community members.

• Community television programs via (IPTV) enable community groups and others to televise events (Council Meetings, sporting events, debates etc) simultaneously.

• On-line learning programs presented, both free to air and subscription.

• Wide range of counseling services is available securely online using point-to-point video conferencing.

• Online Art Gallery enabling local artists to display and sell their art in a virtual environment.

• Children's games and entertainment on-line.

• Cultural environment established for the Arts.

• Local agriculture and market indicators for farmers.

• Online Community archive created.

• Links to external websites and communities of interest.

• Community competitions, surveys and referendums.

Ownership Structure
GraniteNet Inc is a not-for-profit community owned and Community run Incorporation. Designed such with intentions that it would remain this way.

Management Structure
As an incorporation, GraniteNet Inc is governed by existing Incorporation governance laws and is managed by an elected board each year.

All board members contribute their skills and network capabilities (where possible) in a variety of methods, and due to the management structure of GraniteNet Inc. individuals are elected to meet the needs of the skill set required.

Volunteers are invited to become a part of GraniteNet Inc. only after board approval and based upon their skill sets, and qualities that they can bring to the table. All members do not have excellent IT skills, as it is not essential in all areas of expertise. All individuals are elected or selected for their potential contributions to meet the needs of GraniteNet Inc, and it's Goals & Objectives.

Organisational Time Line
July 1st 2013 – Re-signing of Lease at 15 Hilton Street or seeking alternate premises.

July 15th 2013 - Redesigning of existing portal model and website to modernise and achieve automation in many existing processes. Changes will reflect the existing model, with a focus towards an easier to navigate and easier to edit structure for the community sectors.

September 1st 2013 – Promotion of Community Sector via structured survey with incentive.

October 10th 2013 – Promotion of Community Sector via structured workshop.

October 30th 2013 – Promotion of Business Sector via structured workshop.

November 1st 2013 – Bring online the community radio project.

November 20th 2013 – Actively promote the 'new face' of GraniteNet.

Company Assets

The building and land on which GraniteNet Inc is presently operating from is Leased from Community Development Services (CDS).
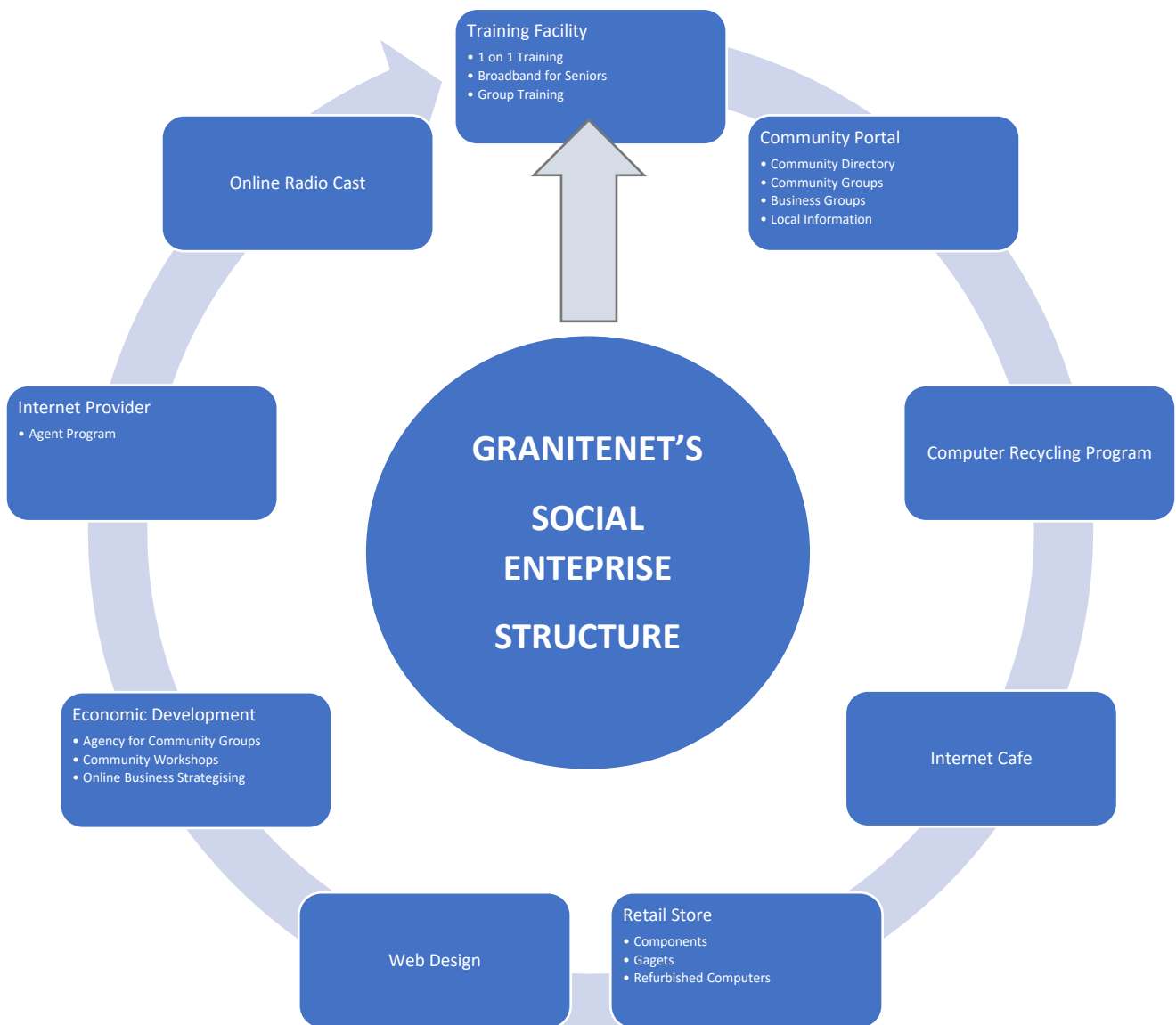The present retail inventory is valued at approximately $1000.00
Furnishings and fixtures are valued at $18,000.00

Products

GraniteNet Inc. provides a variety of products directly in the line of Information Technology, aimed at the local community needs. Expansion into new fields and developing existing social enterprise outlets will allow GraniteNet Inc. to expand to meet the demands of costs involved in expansion.

GRANITENET'S SOCIAL ENTEPRISE STRUCTURE

Training Facility
- 1 on 1 Training
- Broadband for Seniors
- Group Training

Community Portal
- Community Directory
- Community Groups
- Business Groups
- Local Information

Computer Recycling Program

Internet Cafe

Retail Store
- Components
- Gagets
- Refurbished Computers

Web Design

Economic Development
- Agency for Community Groups
- Community Workshops
- Online Business Strategising

Internet Provider
- Agent Program

Online Radio Cast

Primary Products

GraniteNet Inc. currently has an extensive product line, including; Computer gadgetry, peripherals and components, not otherwise found in our immediate local vicinity. Refurbished Computers, Internet cafe, Training and Web Design.

Trademarks or Proprietary Rights

GraniteNet Inc. has expressed interest to 'Trademark' our existing business model. At this time, GraniteNet Inc. holds no licensed trademarks or property rights. Various documents produced by Members and Volunteers are copy-write by GraniteNet Inc. as they were written for us.

Future Product Concepts

Presently under development is a range of additional products to expand upon. The main focus is on the introduction of the community packages for community groups, the introduction of online community radio, and my mind has gone blank.

Dependent on location, an increase to internet cafe sales and retail sales, resulting in expansion of both existing areas of trade.

Marketing Plan

Existing marketing strategies have maintained a regular income for GraniteNet in the past, but with a growing need for additional income to leverage new projects, more prospecting is required. GraniteNet presently caters to all reaches of the Southern Downs community, and a handful of outlying regional centres. Future consideration has been given towards expansion of the retail sector, and an expansive and adaptable budget for advertising has been established.

Target Market

GraniteNet Inc. has always targeted the adult learning community in the past, which has left a good deal of other disadvantaged individuals off the radar. This has been realised, and for the past two years, an expansive interest in all age groups, and all learning liabilities has been explored and gradually implemented to accommodate a larger target audience. Primary focus now resides on expansion to include a larger portion of the Business Sector, Community Groups Sector and individuals needs for web design, retail and connectivity.

Business Location

Presently our CBD centralised location of 15 Hilton Street, Southern Downs, is not ideal to meet the needs of a retail front, and particularly inhibits expansion in this area due to lack of footpath traffic, it does however, meet all other needs. Situated one street back from the main street of Southern Downs, servicing individuals needs from Tenterfield to Warwick, we can offer easy parking, and wheelchair accessibility, as well as hire of the facility space to other community groups (Hire will be discontinued as of 1st July 2013).

Customer Base

Our existing customer base extends from community partnership training to adult learning and over 50's beginner computing. Disabilities are also catered for, and remotely disadvantaged individuals of all ages can access the services provided at reduced costs.

Pricing Strategy

Averaging an income of $1500 per calendar month, which includes all sales, room hire and donations; GraniteNet Inc. seeks to profit so that funds can go towards leveraging other concepts for the community. There is presently a profit margin minimum of 100% on all new retail goods, and extends to 350% on some products.

Advertising Strategy

An expansive advertising budget has been established as of April 2013, allowing promotion of GraniteNet as a whole. This budget allows free use of any public media outlet for direct promotion of GraniteNet Inc's. Products and Services.

Phase 5a – Marketing Research

The Project Phoenix Phase 5 expansion requires support from a good number of sectors within our community to succeed. Market research would need to be conducted to acquire a better understanding of investment opportunities.

Workshops

GraniteNet Inc. would need to provide proof of concept to establish a footing within the greater southern downs region.

Community Groups Focus

Acquiring the data required to succeed in this project would mean holding a workshop aimed specifically at the community groups sector to establish a clear cut understanding of what the community groups would expect of us, and how it would define the rebirth of an existing product. (The directory) We would provide a simple workshop document, which would include a workshop styled incentive, and provide a free website page on GraniteNet to get them started. A questionnaire would be included to ask the expectations and to reflect how we can help them get online, and if they have had any previous dealing with GraniteNet, how we can change the product to suit them better.

Business Groups Focus

Business groups would need to be targeted directly for a substantial boost in economic value. Whilst this is a difficult sector to obtain interest due to time restraints of business owners, if we provide an incentive, such as a free business directory listing, and a seminar styled "Getting your business Online". A questionnaire would be provided upon entry, and would reflect the expectations and field view of business owners.
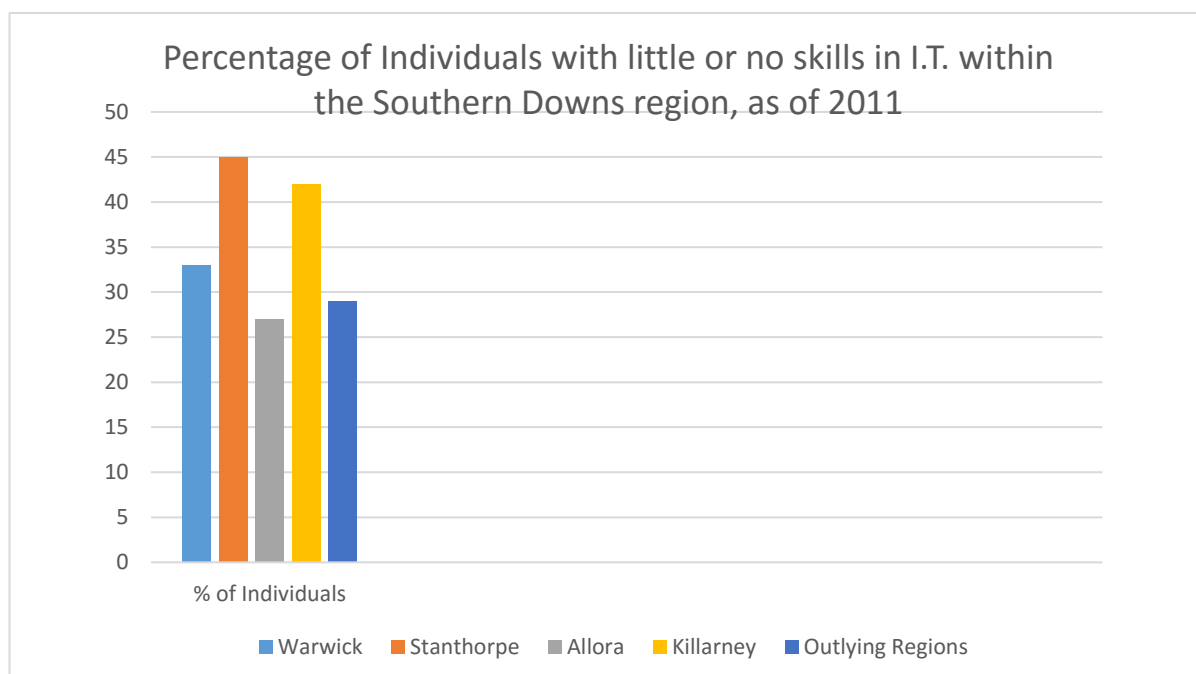
Direct Community Focus

The final sector to address would be the general public; The most difficult to obtain data from, an incentive is essential, and would be promoted actively, providing a substantial 'prize' in exchange for filling out our online web form.

Data Exchange

The acquired data from these three sectors would be statistically utilised to establish a firm understanding of the product requirements and steady community foothold within the greater Southern Downs region.

What we presently do have statistically, provided by the USQ Toowoomba, is the percentage of individuals within each segmented town that either have no computing skills, or lack enough understanding to move forward.

Percentage of Individuals with little or no skills in I.T. within the Southern Downs region, as of 2011

% of Individuals

■ Warwick ■ Stanthorpe ■ Allora ■ Killarney ■ Outlying Regions

Competitor Analysis

The initial governance of GraniteNet Inc. developed a strategy that did not intrude on any local businesses, but inevitably this has altered gradually over time to establish indirect competition. This competition is nullified essentially due to the products and services selected for sale by GraniteNet Inc. have no association or comparison to local markets.

Competition

Whilst it is generally considered that there is no direct competition, and the entire structure of GraniteNet Inc. has been built not to intrude upon local business in the past, this has been maintained to some degree, but inevitably some competition has been sought with the 'Southern Downs Community Directory' and since the recent introduction of our retail outlet for new

Computer components and Gadgets, we are effectively now in direct competition with a number of electronic and computer retailers in the area.

Competitor Strategies

GraniteNet has cultivated a loyal customer base in the training sector, however, not within retail sectors. GraniteNet has selected a range of goods that does not associate or intrude upon direct competitors products.

Phase 5b – Strategic Foothold

The Project Phoenix Phase 5b requires a firm understanding of the community it is entering.

The data acquired from community workshops will directly reflect on how we approach the region as a whole, and how we can develop products in the future for the various sectors within the community.

SWOT Analysis

Over the course of GraniteNet's operation, numerous Strategic Planning workshops have been held to determine accurate structural SWOT Analysis data. All content is supplied by members of the community invited to attend the workshop. Whilst there is openly a good deal of concern for the financial risk factor involved in any ventures GraniteNet wishes to undertake, you cannot make progress without risking something. This is also reflected in the data below. Some of the data has already been addressed, or is in progress of being developed upon.

STRENGTHS	Weaknesses
• Supports community volunteers • Provides training and expertise • Helps unemployed people find jobs • Provides internet access and one-on-one training • Has good relationships with other agencies • Provides access to information • Strong leadership • Very friendly atmosphere • Passion – staff commitment • Acceptance of and use by all in the community • Forward-looking • ICT partnerships • Committed board and volunteers – leadership • Technically skilled volunteers	• Providing free services (lack of $$$ therefore lack of sustainability • Donations for GraniteNet • More volunteers • More supports for advertising for business opportunities • Longer term volunteers • Not enough volunteers • More advertising for volunteers • Burnout of staff • Volunteer numbers • Ability to diversify? • Self-sustaining for expansion? • Changing capacity/availability of some volunteers reduces opportunities for extending opening hours

- Ability to evolve and embrace technology advances - Friendly atmosphere - Volunteers – unique model - Ability to help people move into the digital age - Up-to-date equipment - Moderate sustainability - Unbiased open door policy - Professional model - Strong President - Website Facility - A strong base of dedicated volunteers and workers who believe in supporting the local community and its people and providing a service that nobody else can – creating a niche in the market - Andrew + Volunteers - IT platform – up-to-date equipment - Premises - facilities	- Some of the founding members may no longer be involved - can lead to a loss of knowledge of original purpose - Leveraging income - More volunteers needed to enable GraniteNet to expand - Lack of information about GN in the wider community - Lack of effective marketing - Volunteer training - Communication - Location/premises - We need more advertising – the online radio station will help in addressing this - The need to make GN a more inviting place for volunteers and members of the public to come to - Relying on volunteers – difficult to run projects – rely heavily on Vicki and Andrew - Lack of regular income that does not rely on delivering new projects (ie ongoing funding to support core business)
Opportunities - National Broadband Network (NBN) - Funding opportunities available - Plenty of opportunities and ideas for expansion - One-on-one training - Home-based businesses - Internet access - Meeting new friends - Lifelong learning - Learning all subjects - Help unemployed people get computer skills - Partnerships with community - Local Business IT skills needs - More web pages for community organisations - Expanding into more communities in the regional area - NBN - Use changing technology as a driver for promotion of services and training	**Threats** - Loss of volunteers – volunteer security - Lack of donations (money) - Lack of advertising - Risk of duplicating services - Direct Competition - Lease on premises – Working with youth - Hacking into GN systems – security - Access to funding – local, state, federal - Conflicts with other IT-based businesses if GN moves into retailing of products - Competition for sources of funding - Lease state - Lease continuity - Left behind technologically - Other radio stations gaining advertising money when we should be - Other independent people and businesses offering the services that we do - SDRC – all funding going to Warwick (Southern Downs seen as irrelevant) - Local focus - Seniors focus

• Work with Council on opportunities to expand website to SDR • GN model/design to be expanded to throughout all SDRC • NBN • Paid advertising on website and online radio • Expansion to greater region • Partnerships and community ties • Development of new resources to meet needs of the community • Advertising and expansion – only advertising will bring about expansion and independent viability • Pressure on local businesses to develop a web presence – develop e-commerce • NBN • Growing awareness of need for cyberspace security • Use of mobile devices – opportunities for development of apps • Local birds, flowers, parks, best café in town • Link to the food regional network	

General Operations

Daily Operations

GraniteNet Inc. opens 5 days per week, from 8:30am, and closes at 1:00pm excluding Fridays, which is 4:00pm.

Daily operations include cleaning, administrative duties, individual training sessions, Broadband for Seniors assistance and freely given advice and information. All volunteers are adept in utilising the existing P.O.S. system at the 'front desk' and have good qualities when dealing with customer enquires and assistance. Web design services, recycling, computer repairs and web portal maintenance is carried out off site, generally outside of business hours.

Facilities

Current situation circumstance of operation facility is unknown due to changes occurring within 11 days.

Staffing Requirements

GraniteNet Inc. presently does not 'pay employ' any individuals for any of the in-house duties, and is run entirely by volunteers. Volunteer numbers fluctuate. All volunteers are considered short term, and all are basic trained in the daily duties. Proven Long term volunteers are provided with tasks better suited to their abilities.

Suppliers

GraniteNet Inc presently works with several retail product suppliers and networks with other community groups in the region for community project inclusion. Strong ties are already established within the networking arena, and more are being made as time progresses. A strong influence over time will develop with our retail good suppliers given that this is a recent venture inclusion.

Capital Requirements

For a minimal figure of approximately $1050 GraniteNet Inc. can expand to reach a greater share of the market, and expand on it's existing community networking ties within the Community Directory.

Capital Expenses

Phase 5 requires a small outlay of $650 to expand upon and modernise the community website portal through freelance services offered by an existing member.

Approximately $100.00 to advertise the community packages expansion through public media outlets to our existing client base and new local groups.

Approximately $300.00 to prepare the proposed Community Workshop guides.

Phase 5a will require additional funding to actively promote the greater share of the market. Focussing on the new services on offer. Funds will be minimal, as it is costed only by transportation requirements and printing costs. (Approximately $500 per sector)

Capital Reimbursement Plan

Due to the minimal nature of the proposed expansion project, there is no borrowed capital to be repaid, whereby the gains outweigh the cost, however entire costs can be expected to be recovered within 3 months of the launch of the community packages.