

World Source

World Source Holding Corporation

The Ultimate Process Industry Information Resource

Business Plan

This business plan is not an offer of securities.

Edited Summary Only

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Table of Contents	<u>Page</u>
Executive Summary	3
Company	
Overview	5
Business Model	6
Services	7
Future Services	8
Opportunity	
Industries	9
Roll Out Plan	10
Demonstration Model	11
Second Launch	12
Keys To Success	13
Marketing Plan	14
Sales Plan	15
Competition	16
Operations Plan	17
Financials	19
Exit Strategy	20
Management Team	20
Appendix	
Projected Financial Statement	22
Advisory Board	26
Trade Advertising Rates	27
Competitive Comparison	28
Testimonials	29

Executive Summary

Introduction

World Source is an information management enterprise consisting of a family of Internet portals focused on related engineering and manufacturing industries. Our objective is to change the paradigm for bringing qualified buyers and sellers together. Each portal provides industry professionals with proprietary tools to quickly find specialized products, services, and technical data on the Internet. We will help buyers find exactly what they're looking for more effectively than any other resource. We will help sellers differentiate themselves from competitors, economically and effectively reaching their entire target market. Our business model is being proven by Thermal Source, our first portal.

Business Model

The main function of each World Source portal is generating qualified sales leads for industry suppliers. These vendors, referred to as Superior Suppliers™, pay an annual fee for the following services:

1. A proprietary survey that identifies the reasons the supplier's customers choose to do business with them. A U.S. Patent is pending on this process.
2. Promotion of the survey results, company information, and other technical data on a World Source portal.
3. Superior Suppliers are always highly visible at the top of search results lists.
4. Real time sales lead reporting, including contact information.
5. Superior Supplier news releases promoted in regular e-mail newsletters.

The annual fee for these services is similar to the cost of running a single advertisement in one trade publication for one month.

Target Markets

Each web portal is a business unit focused on an industrial market segment. For example, our initial market entry Thermal Source targets companies that use industrial furnaces, kilns, and ovens. These products are mostly custom-engineered, and do not lend themselves to being sold on the Internet. However, engineers and buyers use the Internet as a tool to identify potential vendors, conduct product research, and search for technical data. Each Web portal provides powerful search utilities to assist in obtaining this useful industry information.

World Source will focus on developing portals in manufacturing industries that use custom engineered equipment, specialized industrial products and services, and that are large enough to sustain a standalone business unit. Several examples of additional portals are Material Handling Source, Packaging Source, Plating Source, etc.

Keys To Success

Our critical success factor is our ability to provide our customers an effective and economical means of generating sales leads. We must aggressively market to our customer's customers to generate traffic to our web site and to our customer's sites. We must aggressively sell to the suppliers in the industry to generate the revenues to make each portal a success.

Launch Strategy

Thermal Source is validating the business model for World Source. Thermal Source is focused on the process heating industry, which spends \$300 million annually for advertising. This industry is just starting to shift advertising dollars to the Internet. A first generation Thermal Source web site was launched that proved to be inadequate and is currently being completely redone by a world-class team of relational database and search technology experts.

The industry has been very receptive to Thermal Source. Key industry publications, including Industrial Heating, Process Heating, and Ceramic Industry magazines have recently committed to strategically partner with Thermal Source in the cross-promotion of its Web site and their respective publications. Industry suppliers regard this as a major endorsement.

A second portal will be launched during the first half of Year 1. The timing will be managed as to not require additional outside funding. Additional portals will be launched every six to nine months, depending on affordability, difficulty of the market, and the ability of the company to manage additional launches.

Marketing / Sales

Marketing for each portal / business unit will be focused through trade magazines, industry associations, trade shows, and industry web sites for the particular market. Direct contacts with industry suppliers by our dedicated business unit sales staff will be the key sales mechanism.

Our key revenue generation assumption is that each of our salespeople will close just three sales per week. We believe this is a conservative assumption.

Competition

Each World Source business unit will compete for advertising dollars. Competition comes from the Thomas Register, trade publications, trade shows, and other Internet-based industrial portals. World Source becomes successful not by replacing other forms of business promotion, but by becoming an effective, integral low-cost component of the marketing program of many industry suppliers. A key element of our strategy is to form alliances with leading trade publications and associations. We are already beginning to succeed in this endeavor as demonstrated by our exclusive sponsorship of Ceramic Industry's weekly electronic newsletter CI Cybernews.

Financial

World Source is seeking \$750,000 to invest in the final development and deployment of 1) Thermal Source, the first portal and 2) the second portal planned for Year 1. An additional \$225,000 loan has already been approved by Erie County (NY) Industrial Development Agency on a matching funds basis.

The funds will be used for programming, employee salaries, strategic promotion, and normal operating expenses during the second half of Year 1 and first half of Year 2. We anticipate becoming profitable and turning cash positive within twelve month of funding.

The Company

Overview

World Source is a holding company consisting of a series of business units focused on providing information management and marketing functionality to brick and mortar industrial market segments. The need for this type of business was identified by the founder because of his frustration in finding adequate information on the Internet in his area of expertise. Rather than waiting for someone else to develop a solution, he decided to explore the opportunity and discovered similar needs existed in many market segments. This Business Plan identifies the 'solution' that the founder would like to implement to fill a significant business need.

"There is a recent trend toward better, smarter Web searches. If the big mega-portals are content to neglect search in favor of other services, smaller players are going to come along and do it better."

Time

World Source Holding Corporation is headquartered in Buffalo, New York. The company's mission is to change the paradigm for bringing qualified buyers and sellers together by promoting the demonstrated business strengths of sellers using a proprietary business model on the Internet. World Source is leveraging sales, marketing, strategic partnering, and engineering expertise to weave a valuable information resource into the fabric of many industrial communities. World Source will make it easy for industry professionals to find the exact products, services, and technical information they need.

World Source Holding Corporation was established in August 1999 as a Delaware subchapter C Corporation. The founder primarily owns the company. Assets include URLs and a pending U.S. Patent (application serial number 60/162,181) for a proprietary supplier performance evaluation and promotion business methodology.

The company will focus on what motivates industrial buyers and sellers of value added products and services, and provide easy to use tools to satisfy their needs. World Source will provide the types of services offered by Yahoo, Consumer Reports, Library of Congress, and Thomas Register on one integrated portal for each target market.

World Source is structured to meet the informational needs of busy professionals faster than any other business resource. Users will be able to spend more time using information than looking for it. World Source also provides a reasonable, economical, and attractive entry point for businesses just beginning to integrate Internet technologies in their overall strategies. We help industry suppliers use the Internet to generate new business, taking the focus off low price and putting it on value added expertise.

The Erie County Industrial Development Agency (New York) has committed a matching funds loan for \$225,000. We are seeking an additional \$750,000 to launch World Source and the initial business units.