

Marketing Plan for

LifeStep VR

September 1, 1998

Background: Vocational Rehabilitation

What vocational rehabilitation (voc rehab) counselors do is work with individuals who are physically and/or mentally impaired and whose impairment impacts their ability to work. In most cases, the impairment is the result of an accident or illness. The voc rehab counselor first works with the individual to establish a client history, including educational background and job history. Information about the physical and/or mental limitations is also documented. The counselor then conducts what is called a transferable skills analysis (TSA). This analysis identifies skill sets that the individual can “transfer” to a new job, taking into consideration any limitations. The purpose is to get the individual back into or introduced into the workforce.

In some cases, the individual's TSA may indicate that the person does not have a skill set that is easily transferred to a new job. In these cases, the counselor will work with the individual on obtaining practical job skills through training. The counselor will assist the individual in making a job or career choice and in choosing the appropriate training for succeeding in the chosen field.

If the individual does not have any skills that can be easily transferred and training is not a realistic, viable option (in cases of severe impairment), the individual will turn to insurance agencies or government agencies. If the individual was injured as the result of another's negligence, the results of the TSA (verification of the individual's unemployable status) will serve to strengthen a claim for liability damages. Or the individual may apply for long-term disability insurance, if available. The individual may also choose to apply for social security disability insurance or other government assistance.

Product Description

LifeStep VR is a software application designed specifically for the voc rehab industry. The software is web based, what is considered a “thin client.” LifeStep VR contains extensive labor market information (LMI) in its database – gathered from over 50 government agencies. The data sources range from the Department of Labor on a federal level to wage statistics from various county agencies. Data covers LMI across the nation, thus allowing the software to be used by voc rehab professionals across the country in helping individuals, regardless of their geographic location.

The main benefit of LifeStep VR is its ability to automatically conduct a TSA. The software also stringently follows the methodology in conducting a TSA that has been mandated by the Department of Labor. We have obtained endorsements from several individuals at the U.S. Department of Labor and will incorporate these into testimonial collateral pieces.

LifeStep VR contains many features of benefits to the user. The software is easy to use and very intuitive. Much research was done prior to the development of the software in order to understand the processes followed by the voc rehab professional. Because of this, the software follows these same processes and logical order, and is thus easy to use. A case management component is included, allowing the professional not only to access a plethora of valuable data and run analyses, but to manage cases on a day-to-day basis – everything from appointment setting to tracking a client’s progress.

The software also includes new telephony features. For example, the software uses a “caller ID” ability to pull up the respective account automatically when a client calls. This is a great time-saving feature. Each screen within LifeStep VR is an HTML file, allowing easy manipulation of data and navigation through the software components. The software also serves as an Internet browser. This feature allows the user to “surf the web” without leaving the software. This is especially beneficial when searching for job openings using the Internet. The software also has the ability to search pre-defined Internet job sites and pull in a listing of actual job openings. This saves the user a lot of time and avoids the need to have to search each of these sites individually.

Each unit will sell for \$4,250 with price breaks for volume sales.

Marketing Objectives

The objectives for LifeStep VR are very simple and straightforward. Because LifeStep VR is a new product, we plan to enter the market very aggressively and successfully capture a significant market share. Our objectives are to:

- Capture a 15% market share within the first twelve months
- Sell 2,500 units or approximately \$7,500,000 in the first twelve months

Target Market

The market for LifeStep VR is very specific – voc rehab professionals, including voc rehab counselors and insurance agencies. Voc rehab professionals often work independently in private practice. Occasionally a voc rehab counselor will work at a medical treatment facility.

Market Demographics

<i>Descriptor</i>	<i>Voc Rehab Counselors</i>	<i>Insurance Agencies</i>
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Age	25-50	Varies
Gender	Slightly more males	More males
Education	Graduate level	College degree
Income	\$35,000 and up	\$30,000 and up
Geographic location	States including the larger numbers include: FL, NY, CA, PA and TX	States including the larger numbers include: FL, NY, CA, PA and TX
Company size	Small: 1-5	Medium to large: 30 and up

As is the case with all high-tech products such as software, the technology adoption life cycle must be taken into consideration. This cycle includes five segments of the population:

- Early adopters – those who are technology hungry and are prone to try the newest technology; also know as “techies.”
- Innovators – people who are likely to implement new technologies into their lives or workplace; they are comfortable taking risks.
- Early majority – the individuals who recognize the value of new technology but who wait a reasonable amount of time before implementing that technology; they are likely to rely on testimonials by those who favor the technology, although they do not necessarily value the opinions of the techies.
- Late majority – those are more resistant to new technology; they are skeptics and wait to purchase the technology until it is more hidden or bundled into a “whole product” solution.
- Laggards – people who will not buy the technology until they absolutely have to, until they have reached the point that living or doing business without the technology is no longer an option.

The technology adoption life cycle can easily be overlaid with the product life cycle. For example, in the initial phase of the product life cycle, it is, obviously, the techies who are first to purchase the product, and so on. In our marketing efforts, we will modify our strategies over the life of the product to target the various consumer types as identified in the technology adoption life cycle. For the purposes of this plan, we will be targeting the early adopters and innovators.

Focus Group Research

In our efforts to ensure that we are targeting the right groups, providing a product that serves the needs of the market, and implementing successful strategies, we conducted five focus groups. The participants included various voc rehab professionals from private counselors to insurance agents. The overwhelming response indicated that voc rehab professionals:

- Have heavy workloads and have a real need for tools that assist them in saving time and working more efficiently
- Are currently conducting their TSAs manually and that an application that automated this processes would be welcomed
- They consult a variety of resources on a daily basis and have a definite need for a product that combines all the needed resources into one source

This feedback confirmed that we correctly identified the needs of the market and that we are on the right track with our product development and marketing strategies.

Marketplace Competition

Competition for software in the voc rehab marketed is limited; this is not a competitive marketplace. Our main competitor here is Vertek based in Seattle. Their product is Oasys, a software application that is somewhat comparable to LifeStep VR, but does not follow the methodology for conducting a TSA as outlined by the Department of Labor. LifeStep VR is therefore a superior product and, because we have the endorsement of the Department of Labor, feel confident that our product will capture a significant market share.

Marketing Strategies

Our marketing strategies for the sale of LifeStep VR includes:

- Print ads in various trade publications
- Ads on appropriate web sites
- Series of direct mail pieces
- Creation of various collateral materials
- Exhibits at relevant trade shows
- Creation of a corporate web site

Print Ads

The print ads will use the tag line “The Intelligent Resource.” The ads will include minimal copy so as not to overwhelm the reader. Our intention with the ad is to pique the reader’s curiosity, provide a call to action, and give the necessary contact information. All ads will reference the corporate web site, thus increasing web traffic and giving the reader immediate access to additional information on LifeStep VR.

The voc rehab market does not have many national trade publications dedicated to it. *Case Review* and *Case Management* are the only two national magazines we are choosing to advertise in. The balance of our print ads will be placed in the publications of various trade organizations. On a national level, we will advertise in the *Issues of Injury* newsletter published by Medical Consultants Network, Inc., a national voc rehab organization. On a regional level, various publications by trade organizations in the top five states - FL, NY, CA, PA and TX – will be included in the media mix.

Internet Ads

Banner ads will be purchased on several industry-related web sites, including the Medical Consultants Network, Inc. site. The banner ads will identify the product, mention any current sales specials we have, and link to the LifeStep web site.

Direct Mail

A series of direct mail pieces will be created and will complement the design of our print ads and web site. Mailing lists purchased from various trade organizations will be used in the distribution of these direct mail pieces, as will the database built from sales leads generated from our print ads. Direct mail pieces will serve to notify potential customers of sales specials, new product announcements, and trade shows. For the latter, attendee lists will be purchased for the respective shows.

Because of the limited advertising opportunities we have in national trade publications, direct mail pieces will serve to reach the specialized, niche voc rehab market and to complement our advertising efforts.

Collateral Materials

Various collateral materials will be created for use in the marketing and sales of LifeStep VR. The primary uses for these materials include responding to requests for information and sales leads and for dissemination at trade shows. These collateral materials include:

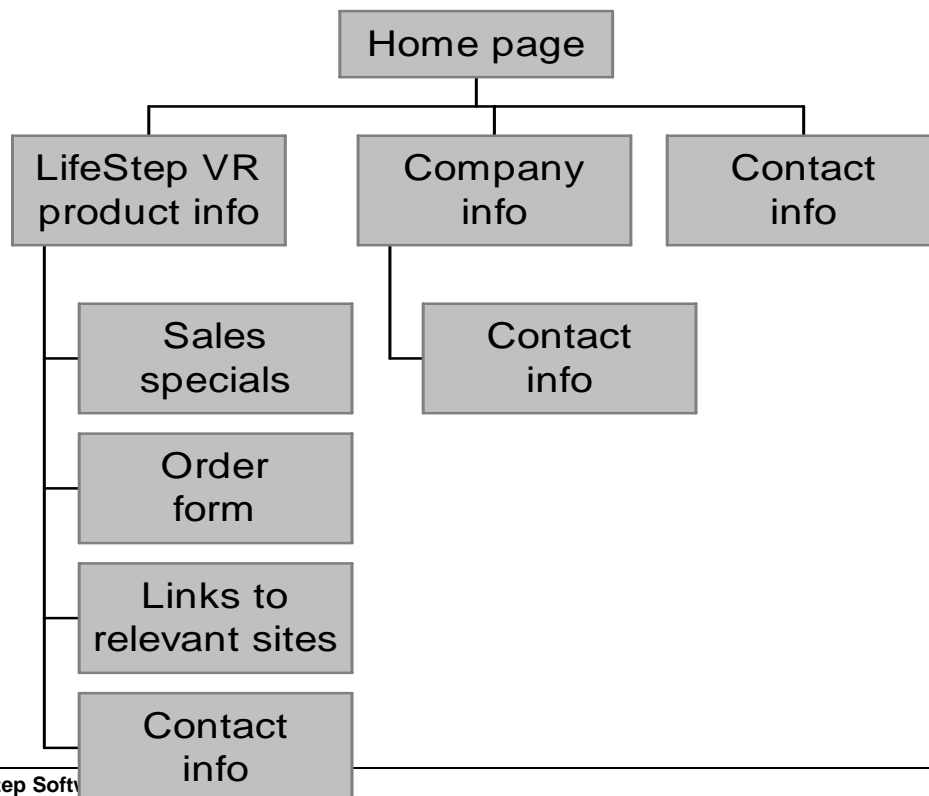
- A pocket folder with the LifeStep VR logo and a summary of product information
- Sales sheets that provide an overview of the product, including system specifications; one will be targeted to voc rehab counselors and the other to insurance agencies
- A detailed brochure that provides in-depth information on the product and the various benefits of LifeStep VR
- “Case study” or client testimonial sheets – each of these will look like a medical case file and will provide an account of how a LifeStep VR client has successfully implemented the product

Trade Shows

As is the case with the limited availability of national trade publications tailored to the voc rehab market, there are limited opportunity for exhibiting at trade shows for LifeStep VR. Our opportunity for trade shows are participating in regional, intrastate shows sponsored by various trade organizations within the respective states. Trade show participation will be very limited in our first year of marketing as our budget is limited.

Web Site

We will create a web site that includes comprehensive information on LifeStep VR. The URL for the site will be referenced in all of our materials, from print ads to collateral materials, to increase web traffic and provide the consumer with the opportunity to access more information on LifeStep VR. The web site will also reference “The Intelligent Resource,” the tag line used in our print ads. The site will allow the consumer to request additional information on LifeStep VR or place an order on line. The web site will be designed as follows:



Measurements

In order to gauge the effectiveness of our marketing strategies, we will attempt to measure the success of this plan on a quarterly basis. One of the sources of input is our ordering process. Our order forms, whether completed on line by the customer or over the phone by a sales person, will capture the source by which the customer learned of LifeStep VR and also the specific vehicle. For example, a customer may have learned of the product through a print ad in *Case Review*. This type of information will help to determine which publications are working for us with regard to our print ads. We will also be able to gauge the effectiveness of our participation in trade shows and our other marketing efforts in a similar manner.

Other measures will include questionnaires and occasional focus groups, particularly when planning to make changes to the software or to bundle the software when focusing on other segments within the technology adoption life cycle.