

**Tai Chi Youth
Business Plan
2011**

Teaching today's youth to be tomorrow's leaders.™

Tai Chi Youth Business Plan

(nonprofit education organization)

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II. Executive Summary

Tai Chi Youth programs have been taught to hundreds of students, youth at risk, prisoners, and seniors. These TCY Curriculums consist of Tai Chi, Yoga, kicking and punching exercises, but no sparring. Self-defense can be mastered without forcing kids into cages and forcing them to fight each other. Tai Chi Youth has proven this countless times, with our students returning to our founder, Richard Del Connor, known to his students as, "*Master Zhen*," or, "*Buddha Zhen*," to inform us of life-saving and life-building skills, learned from our Tai Chi Youth classes, that have improved or literally, "*saved their lives*."

The success of our Tai Chi Youth programs stems from our basic concepts of Tai Chi and Chinese Kung Fu: a balanced body is necessary for a balanced mind. Our Tai Chi Youth school is one of the best Tai Chi schools in the world. Students of many countries have verified and confirmed that our TCY Curriculums are the most comprehensive and organized programs they have ever known.

With a proven physical regimen that teaches Tai Chi and its associated skills, we include reading assignments and in-class group discussions that provide more information and require the students to read aloud. This part of our Tai Chi program is vital to enlightening our students with better work habits, manners, respectfulness, and appreciation. These weekly readings correspond to the physical lessons being taught that particular week in our curriculum.

This interweaving of the bookwork and physical lessons lays the foundation for philosophical and spiritual information that creates a meaningful life. Although Tai Chi was created and developed by the Chinese Daoists, our lessons require each student to summarize and respect all the major religions of the world. With the hunger for knowledge we instill in each student, they usually become more active in whatever religion they already belong to. Tai Chi is not a religion, and Tai Chi Youth is nondenominational.

The students of Tai Chi Youth begin developing leadership skills, during their first semester. Periodically, students are required to "*judge*" each other and provide constructive criticisms. This was developed when Buddha Zhen was teaching Tai Chi classes in a maximum security prison in 1992. Dismayed by the hostile attitudes of inmates towards each other, Buddha Zhen created a system where all students line up side-by-side with their instructor, called a "*Shifu*," in Chinese. After each student performs his Tai Chi, the students, not the instructor, must help the performer to improve by providing helpful information. This worked so well that all of Buddha Zhen's Shaolin Chi Mantis and Buddha Kung Fu schools include this "*student testing*" at least twice per semester.

Although Tai Chi Youth does not include any sparring, the students do physically compete in our annual Push Hands tournaments. Pushing Hands is a way of sparring that is nonviolent, but requires Kung Fu skills. The students push each other until one lifts a foot off the ground--providing the opponent with one point. After two 30-second rounds, the winner is the competitor with the most points. Blocking, stance pivoting, and balance are the winning factors in Push Hands. Best of all, it's a lot of fun and the

students always provide suggestions and feedback to help their competitor--so no one really loses or feels badly about losing.

Tai Chi Youth classes were originally designed as youth programs for Buddha Zhen's original Kung Fu school, founded in 1992, Shaolin Chi Mantis. With the support of the National Endowment of the Arts, and Utah Arts Councils, Tai Chi Youth was founded in 1996, in Salt Lake City, Utah. The curriculums and programs of Tai Chi Youth are derived from the traditional Tai Chi and Shaolin Kung Fu programs of Shaolin Chi Mantis. This relationship also helped establish Tai Chi Youth as a genuine Tai Chi school. Many Yoga teachers have had some Tai Chi classes from other Yoga teachers who have had some Tai Chi classes...but there are very few genuine Tai Chi instructors who are qualified to teach Tai Chi in America. Since Tai Chi is a martial art, anyone who cannot fight with their Tai Chi is only a beginner student.

Tai Chi Youth has incredible potential to improve the lives of millions, worldwide. Through effective marketing and promotion, we will enlighten the world with the true benefits of Tai Chi, which isn't about going slow to accomplish something. The main reason a person practices Tai Chi slow, is because of the other things we are concentrating on while going slow. The benefits of just moving slowly would be obvious in other martial arts, if going slow had its own benefit.

More accurately, Tai Chi is *"being like water."* Sometimes water is soft and yielding, sometimes it is hard and frozen. Sometimes water can hit you like a wave or fireman's hose. Tai Chi is mastering all speeds, and even various styles of movement ranging from a cat to a crane. Tai Chi Youth has been proving we are right for 20 years—no one of any martial art style is arguing with us.

With the successes of curing drug addictions, mental disorders, obesity, and improving many lives, we plan to reach a larger national audience through our online courses and videos. Now we can be of benefit to many more youths at risk, than only the kids in Buddha Zhen's neighborhood.

Our focus on traditional manners is another way we are improving the future. Without the guidance of fathers, and grandfathers, today's youth are taught the lessons of life from video games. It is disheartening to watch kids killing hundreds of people and life forms by the hour without any regard for the sanctity of life. As a youth killed a deer in his World of Warcraft videogame, I asked him why he killed the deer innocently munching on grass as he strode by. *"Because I felt like it,"* the youth replied, *"I like killing things."* At Tai Chi Youth we offer better ways for youths to spend their time.

Since most kids worldwide spend their afternoons every day on the internet already, Tai Chi Youth will provide a healthy alternative to video games.

Tai Chi Youth is teaching today's youth to be tomorrow's leaders.™

III. General Company Description

Tai Chi Youth is a Tai Chi school that teaches the first year curriculum of Shaolin Chi Mantis, stretched out over three years. This program has been tested on hundreds of elementary school, middle school, and high school youths since 1992 with incredible success.

Mission Statement:

The purpose of Tai Chi Youth is to provide, teach, and promote Yang Style Taijiquan, Songshan Shaolin Gongfu, Zen Buddhist, Confucius, and Daoist philosophies. Toward this end, Tai Chi Youth will undertake the following activities:

1. Maintain Tai Chi Youth programs and schools to benefit the citizens of communities in California.
2. Provide Tai Chi Youth programs and TCY instructors to various public and private schools worldwide.
3. Seek and obtain state, federal, corporate, and private funds in support of youth at risk, gang prevention, drug rehabilitation, multimedia arts production, dramatic performance, self-improvement, and after-school programs.
4. Maintain a central office for Tai Chi Youth, with other offices and locations under direct supervision of the TCY Patriarch and TCY Board of Trustees.
5. Create and develop a broadcast quality multimedia production facility for producing education and entertainment products for sale to the students and public.
6. Maintain an efficient internet sales business for selling our various products.
7. Maintain the Tai Chi Youth website at www.taichiYOUTH.org
8. Develop an awareness in the business community, Local and State Governments, Federal Government, medical community, Departments of Education, Departments of Justice, and in the general public of the values of Tai Chi, and Kung Fu in developing better lifestyles, better work habits, communication abilities, self-esteem, leadership skills, health, ethics, morality, and lessening violence in America.
9. Promote and encourage the cultural heritage of Shaolin Kung Fu and Yang Style Tai Chi.
10. Promote, and sponsor three annual tournaments, with their accompanying seminars:
 - a. **"Summer Push Hands Tournament,"** held the last weekend in July.
 - b. **"Push Hands Championship,"** held the last weekend in September.
 - c. **"Annual Chinese Gongfu and Taijiquan Tournament,"** held the Saturday before Thanksgiving.

Non-Chinese martial arts or styles will be disqualified in all divisions.
TCY tournaments do not include sparring, boxing, or cage fighting.
11. Provide a Tai Chi Youth Demo Team for various public events, holiday celebrations, cultural events, and education programs.
12. Tai Chi Youth will honor and maintain the teachings, curriculums, and programs designed by TCY Founder, Buddha Zhen Shen-Lang. These curriculums and programs have been proven in various teaching environments. Tai Chi Youth will utilize new innovative technology formats and methods of teaching without altering the lessons and teachings of Buddha Zhen. This will create an assurance for all future generations of the quality and traditional integrity of Tai Chi Youth.

Whereas, Tai Chi Youth, Inc., as an educational organization will be requested and desired in many locations, the TCY Patriarch can limit the maximum number of TCY school and satellite locations allowed to exist. "Satellite Locations," are not schools, as we are merely providing a program at another business location, facility, or other school.

1. Parent School: The TCY location of the TCY Patriarch.
2. Big Brother School: Oldest school location.
3. Big Sister School: 2nd oldest school location.
4. Little Brother School Locations: All other TCY school locations.

The seniority of the schools is as listed above; therefore,

Resolved, That all TCY schools will be created and maintained by priority and seniority to mutually benefit each other. Each school will provide the same programs and resources while always maintaining the standards and curriculums of Tai Chi Youth.

Company Goals and Objectives:

Tai Chi Youth was one of the first Kung Fu schools to have a belt ranking system, similar to Karate. In doing so, we set standards for other Kung Fu and Tai Chi schools worldwide.

Tai Chi Youth will continue to set the standards of traditional excellence with modern teaching technologies and techniques. Our Tai Chi Youth school is already recognized internationally. With adequate finances, our Demo Team could travel farther and reach more persons to impress and enlighten them.

Business Philosophy:

Although we are the most traditional and potentially dangerous Tai Chi Youth practitioners, we are the safest, most courteous, and nonviolent martial school we know of. We have proven that even those students who enroll in our schools to learn how to "kick ass," will always be less violent by the time we do teach them to fight.

Self-defense and fighting skills are a secondary bi-product of learning Tai Chi. Only after achieving certain belt rank levels, do the students learn how to apply their Tai Chi movements for fighting purposes. The bookwork and philosophies we teach, will either improve their behavior or cause them to quit, before we teach them how to fight.

Tai Chi Youth Industry:

For 30 years, Americans have been misled into thinking that Tai Chi is for seniors and is all about moving slowly. This misinformation has created a lack of interest in Tai Chi among today's youths, adults, and seniors. Youths don't realize they can develop their

mind and bodies for self-confidence and better work habits. Adults don't realize the benefits of how they can maintain better health, reduce stress, and prevent obesity. Seniors think they can start learning Tai Chi at age 70.

None of these misconceptions will benefit us with enrollment or appreciation. Tai Chi Youth will strive to educate America about Tai Chi and accordingly create a need for Tai Chi in the marketplace.

Company Strengths:

Our founder, Buddha Zhen Shen-Lang "Spirit Wolf of Truth," is world renowned as a Shaolin Kung Fu Shifu and Tai Chi Master. In Chinese martial arts, lineage is of paramount importance. Buddha Zhen's lineage consists of:

Douglas Wong	White Lotus System	Xena, Hercules, L.A.P.D.
Dr. Kam Yuen	Tai Mantis Federation	David Carradine, Kung Fu
Wong Jack Man	Jing Mo Federation	Beat up Bruce Lee

Buddha Zhen was featured in the **Kung Fu Masters** magazine, 1994, published by **Inside Kung Fu** magazine, where he has also been listed periodically over the past two decades. Buddha Zhen's primary school, Shaolin Chi Mantis has also spawned the Buddha Kung Fu schools and **12 Step 12 Week Kung Fu Bootcamp** programs taught in Los Angeles County Parks and Recreation locations.

Tai Chi Youth is a 501(c)(3) nonprofit education organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi).

IV. Products and Services

Tai Chi Classes: Taught in group classes, private lessons, in-person and online.

Classes are basically:

Salute In – The teacher (Shifu) begins the class Chinese style.

Stretching – Standing Stretch or Yoga Routine of SCM.

Kicking and Punching Exercises – Aerobics and self-defense.

Water Break – Mandatory every 30 minutes.

New Lesson – Overview of new lesson and associated teachings.

Bookwork Reading – Read aloud by students clockwise.

Tai Chi Lesson – 16 sections are taught in 16 weeks = semester.

Water Break – Mandatory “10 swallows.”

Individual Practice – students learn and improve.

Additional Lessons – dependent upon belt rank and ability.

Salute Out – Traditional Chinese Kung Fu procedure.

Online Lessons and Information:

www.taichiYOUTH.org - main website if TCY.

www.shaolinINTERACTIVE.com - online lessons.

www.shaolinchiMANTIS.com - parent school.

www.BuddhaKungFu.com - Big Brother School.

www.TaiChiBuddha.com - Tai Chi class schedules.

Classes can vary in price, depending upon where the classes are taught. Classes at the YMCA are sometimes free to members, or can cost an additional \$25 per month for the Tai Chi Kids classes. Currently students can attend weekend Tai Chi classes at Crescenta Valley Park for only \$50 month. For \$75 per month they can attend the Wednesday night 12 Step 12 Week Kung Fu Bootcamp classes also.

Los Angeles Parks and Recreation Department has offered to sponsor Tai Chi Youth classes on additional days, and at additional facilities. They have also offered to affiliate with our nonprofit to obtain grants that require existing facilities and related programs that we can partner with.

Our relationship with the Los Angeles Parks and Recreation Department has been a mutually supportive business arrangement. The consistency and quality of our Buddha Kung Fu programs, have laid a foundation of confidence for park management to offer these government grants to Tai Chi Youth. Some grants require gang related programs, already in place, that we must partner with, to obtain these funds. L.A. Parks & Recreation brought this to the attention of Buddha Zhen, explaining the beneficial possibilities where Tai Chi Youth supplies programs and the Parks supply facilities. This will lower our overhead by providing us large buildings at low cost, for our daytime and nighttime classes.

Los Angeles Parks & Recreation has been advising us of fairs and events that Tai Chi Youth should obtain booths at, for promoting our programs and services.

V. Marketing Plan

Phase 1 Marketing Plan:

With existing Buddha Kung Fu programs already in place, Tai Chi Youth can advertise and promote these classes to local media and local schools. Shifting our priorities and programs from Buddha Kung Fu to Tai Chi Youth-- does not represent an elimination of Buddha Kung Fu programs. Students, new and existing, will still be encouraged to join Buddha Kung Fu—but they will be required to be Tai Chi Youth members first.

Tai Chi Youth memberships will be required of all current BKF students, and starting in January, 2011, new students will be enrolled as members of Tai Chi Youth. Current BKF memberships are still in force, and those students of Tai Chi Youth, who want the Kung Fu and weapons not taught in Tai Chi Youth programs, can join Buddha Kung Fu also.

Local newspapers have already run feature stories about Buddha Zhen's Tai Classes and Kung Fu Bootcamp. Two newspapers have requested that Buddha Zhen write a column in their newspapers. Perhaps we will run a Tai Chi column. These are still being negotiated.

The Glendale Board of Education has approved our Tai Chi program flyers to be promoted to several schools located near our existing classes at Crescenta Valley Park. With this permission we can perform demonstrations for the local schools also.

Several Chambers of Commerce and art fairs contact Buddha Zhen each year for demonstrations and performances by his Buddha Kung Fu Demo Team. These upcoming fairs and public parades will now include more promotion and advertising for Tai Chi Youth. At the "**Hometown Country Faire**," held each year at Crescenta Valley Park, the Buddha Kung Fu Demo Team performed again last May of 2010. After the 20-minute performance of Buddha Zhen and a half-dozen of his students dressed in Kung Fu uniforms, we were surprised to discover all the excited teens backstage were girls. They were fascinated by Buddha Zhen's performance of Double Broadwords, and asked many questions about joining our school. Included in the performance were Barb Cipperly, age 76, and Jessica Isaacs, age 28. They both proved that women can keep up with the men, when performing Kung Fu and Tai Chi.

By adequately funding our TCY Demo Team, we can dress authentically and impress audiences more than ever. The opportunities of performing are mostly limited by the availability of our performers, who are students or workers.

By having a Program Director, Tai Chi Youth can invest more time and effort into press relations and community activities. By paying a couple of highest ranking students to help with school errands and location visits, we will also be able to schedule more performances in advance. By hiring our students for these performances, we will know they will be available during weekday hours for school presentations. Buddha Zhen will almost always be available for daytime performances and demonstrations.

Phase 1, our first year, will enable us to advance to Phase 2 of our marketing plan, by establishing our office, and developing our online instruction.

Phase 2 Marketing:

It will take several months to set up an office, and several more months to complete our first videos for sale on the internet. This will be a national and international marketing campaign focused on Tai Chi Youth online classes and lessons.

Many Tai Chi schools have been releasing instructional videos since 1990. Unfortunately, the quality of these videos was limited by the quality of their curriculums and the skills of their teachers.

Buddha Zhen has proven to be a valuable talent in films, commercials, and music videos. His personality and teaching abilities make him one of the best Tai Chi instructors in the world. Tai Chi Youth couldn't have a better teacher for their video productions.

By marketing Buddha Zhen, we are also marketing the Tai Chi Youth programs. Buddha Zhen is also a renowned musician, studying Chinese music since 1992 when he began composing Chinese-style songs for the Shaolin Chi Mantis Demo Team. Some of these songs are on the recently released album of his, **TAI CHI MAGIC 1**, produced by Richard Del Connor for Shaolin Records.

Buddha Zhen's songs and albums are sold in the iTunes store, amazon.com, and other internet stores under the artist name, Buddha Zhen.

www.TaiChiMagic.com

Phase 2 marketing will be selling our videos, books and music online to an international audience of Tai Chi enthusiasts.

Buddha Zhen's book, **TAI CHI BEGINNER**, is still the best Tai Chi instruction manual available. Written in 1992, this book includes 444 photos detailing the Tai Chi form and associated exercises, stances, kicks, punches, history, and Daoist teachings.

Other books written by Buddha Zhen, follow in the curriculum, and are required reading. The **Tai Chi Beginner** book, has been published for students of Buddha Zhen. One of our first products to use, it is also a profitable product for Tai Chi Youth to sell. The **Tai Chi Beginner** book will be used as a vehicle to promote Tai Chi Youth at Buddha Zhen book signings and interviews.

The song, "*Tai Chi Magic*," on Buddha Zhen's album, **Tai Chi Magic 1**, was written for the Shaolin Chi Mantis Demo Team in 1992, and is still used at almost every performance and demonstration of Buddha Zhen. Sometimes students will stand on the sides of the stage, facing the center of the stage, with one prayer hand raised to their chest, like Shaolin monks, as their senior school brothers and sisters perform. Then, at the end of the performance, they join with all the other students to perform the Shaolin Chi Mantis Yang Style Tai Chi Short Form, used by Tai Chi Youth, with the song, "*Tai Chi Magic*," keeping all the students in unison like an old MGM musical movie. It looks very impressive to see a dozen or more students perform the Tai Chi Form together, perfectly synchronized. It is especially rewarding for the students, who get a

rare opportunity to perform for small groups in a school auditorium, or several thousand persons at the State Fair.

Phase 3 Marketing:

Phase 3 will be the combining of the internet courses, videos, private lessons, group lessons, performances, music, books, and dvds into an impressive business branding. With Shaolin Chi Mantis behind the programs, Tai Chi Youth can put their brand on a quality product of a consistent nature and traditional heritage. By collecting letters of appreciation we will publicize our rewards and benefits.

Even if students purchase the videos and DVDs, they will be required to attend either group or private lessons online before they can obtain videos of more lessons. This will insure quality, prevent mistakes, and improve their Tai Chi.

In Phase 3 we will have the statistics required to prove our bold claims publicly and scientifically. This stage will also enable us to acquire more grants that target the many maladies and youth problems we can cure. Some of these grants include statistical studies that will prove how incredible our programs are. It can take several years to develop donor confidence. By year three, donors and grantors will be confident of our organization, programs, services, and products.

Buddha Zhen will seek grants that will make Tai Chi Youth famous, when the results are published. During the 1990s, many statistics could not be used due to confidentiality agreements between Buddha Zhen, rehabilitation facilities, and the justice departments. One statistic they told us of several times, was that of all the students that Buddha Zhen taught in prison, only 20% came back. They said that normally, 84% return to prison within 2 years, our students have a lower return-to-prison rate than any other prison program.

One of these successful students, who never returned to prison, showed up in 1997 at a Tai Chi Youth class in Liberty Park, Salt Lake City, Utah. He had a lovely lady with him who he introduced as his new wife. He explained that it was very important that she meet Buddha Zhen, because Buddha Zhen had changed his life and inspired him to be a better person, have a successful career, and now build his family.

A high ranking elder of the Mormon Church sought Buddha Zhen's help in recovering from chemotherapy. His legs were boney and he could barely walk from months and months of this chemo treatment. By attending Buddha Zhen's weekly classes he rebuilt his body to, *"better than it was before."* In later years, when some angry Mormon Karate teachers sought to make life difficult for Buddha Zhen by instructing other Mormon businesses to boycott Buddha Zhen, it was the chemotherapy Mormon and perhaps another Mormon student who not only put a stop to the boycotting, but made it a policy that the Mormons should support and honor Buddha Zhen's schools, as they had clearly proven to be a benefit to the community. There were never again harsh words or problems from any Mormons ever again. 80% of Tai Chi Youth's private donations were from Mormons during the end of the century.

Product

Our main product of Tai Chi Youth is our Tai Chi program. This program includes exercise, balance training, stretching, yoga, breathing exercises, lectures, philosophy, spiritual wisdoms, psychology, book reading, oration, solo performances, and timed responses to attacks and blocks.

Features and Benefits

1. Standing Stretch of Shaolin Chi Mantis

- a. Increased flexibility leads to larger movements comfortably
 - Enjoy movement
 - More stamina
 - Less injuries
- b. Stretching limbs and torso stretches blood vessels
 - Reduced stress
 - Loosening of blood vessel deposits, including cholesterol
 - Improved blood circulation
 - Less risk of heart attack
 - More comfort in weather extremes
 - Reduced blood pressure

2. Tai Chi Form of Shaolin Chi Mantis

- a. Improves coordination of student's body
 - New postures for the body develops new abilities
 - New balancing poses increase balance abilities
 - New relationship between mind and body = friendship with self
 - Improves balance in all aspects of student's life with contentment
- b. Improves mental focus
 - Concentration in developing coordination, strengthens the mind
 - Improved focus abilities, results in better focus in school and work
 - Brain exercise improves mental health and prolongs intelligence
 - Mental challenges of Tai Chi strengthen parts of student brain
 - Working the mind to work the body lengthens lifetime
 - Recent studies have proven that mental exercise does lengthen life and improve health. PBS: "Plastic Mind."

3. Kicking and punching exercises improve self-esteem

- a. Student knows when he has self-defense abilities
 - In several months a noticeable difference will be achieved
 - Student will realize exercises are getting easier
 - Student will feel a confidence by helping newer students

- b. Self-confidence develops naturally from self-awareness
By demanding more of their bodies they gain control of body
By gaining control of body, the mind is also strengthened
New relationship with body creates awareness of body needs
- c. Realizing when they've made progress improves self-esteem
Newer students will remind of earlier weaknesses
Accomplishing Tai Chi goals is self-rewarding
By accomplishing difficult goals, students gain confidence
- d. Aerobics of workout improves stamina and work abilities
An athletic body can work harder than most people
An athletic body can work longer than most people
Less fatigue means less mistakes and better work
- e. Small injuries teach the student how to handle misfortune
Injuries may still occur in normal life and students deal with them
Exercises create a new normal lifestyle benchmark
Students anxiously heal and cure them selves to get back to Tai Chi

4. Group activity develops communication skills and social interaction abilities

- a. Students work in a group and advance together
Some competition is natural and develops self-motivation
Appreciation of abilities of others eliminates prejudice
Students learn to help each other improve
Students never intimidate or belittle each other
- b. Students must perform solo in front of class
Develops ability to speak in front of an audience
Develops abilities to interview and perform job interactions
Students learn how to deal with difficult situations
No more stage fright = more self-confidence
- c. Students learn to take criticism
Students must learn to accept the criticisms of their teacher
Students learn not to make excuses
Students learn to accept the criticisms of their peers
- d. Students learn leadership skills
Students learn how to give constructive criticisms
Students learn how to evaluate each other
Students become better parents by helping each other

5. Semester Belt Tests create time sensitive goals to be achieved

- a. Students learn to manage their time
Somehow, students must find time to practice Tai Chi
Students learn how they are wasting their time
Better priorities result in better choices in all life activities

- b. Students become professional and better workers
 - Achieving goals and accomplishing tasks in good work
 - Female students not hindered by boxing and fighting requirements
 - Males learn that women can be just as good at Tai Chi as they are
 - Women learn that they can fight men and defend themselves
 - Women learn they can compete as equals to men

6. Students learn traditional manners, family ethics, and morals

- a. All classes require good manners as if in a church
 - Students learn to stop cussing
 - Students learn to stop swearing
 - Students learn not to be emotional in their speech
- b. Relationships with parents are improved
 - Young students are encouraged to better serve their parents
 - Parents are always appreciative of improved manners in children
 - Improved students achieve improved school grades
- c. Prejudice and religious ignorance is diminished
 - All religions are appreciated in Tai Chi Youth
 - Students must each explain the basic aspects of major religions
 - Students learn to compare and understand religions
 - Students discover something valuable in every religion

7. Tai Chi creates an improved lifestyle and better health habits

- a. Tai Chi before going to bed requires only 3 minutes
 - All sleep disorders are cured
 - Students develop regular and consistent sleeping schedules
 - Improved sleep = improved health = improved attitude
- b. Overall class is a complete body workout
 - Removes stress and instills contentment
 - Develops regular and consistent healthy eating habits
 - The body demands wholesome foods after workouts

8. Tai Chi improves breathing in students

- a. Tai Chi is a *“moving meditation”*
 - Moving slowly and breathing steadily are difficult at first
 - As mind controls breathing, mind controls the body
 - As breathing is controlled, meditation is controlled
 - Meditation improves awareness of body functions
- b. 90% of Americans breath incorrectly, all day long
 - Proper breathing becomes natural with Tai Chi practice
 - Proper breathing reduces stress or prevents it entirely
 - Proper breathing improves many aspects of bodily health

Customers

1. Youths age 6 to 12

Elementary school kids can learn all the Tai Chi and Kung Fu of teens and adults, just slower. Their attention spans are shorter, so briefer lessons with more animation and joking from the instructor maintains a good teaching environment.

Boys and girls work out together in all age groups, by grades, or PEEWEEs or KIDS programs. Sometimes, in the kids classes we often have the boys compete against the girls. This increases their motivation and keeps them focused on doing well. Incidentally, the girls usually win.

Mixing up the age groups has benefits and detriments. In our *"TCY Kung Fu Relay Races,"* we mix the age groups up evenly so the older kids help the younger kids. This, *"Older Brother,"* and, *"Older Sister,"* concept helps the kids to work better in their own family environments.

Usually, for summer programs, Easter breaks, and other after school programs, we separate the kids into PeeWees: grades 1-3, and Kids: grades 4 to 6.

These *"TCY Kung Fu Relay Races,"* and other games are offered as a reward for classes that run smoothly. The instructor will periodically remind the kids, *"Let's hurry up and learn this lesson, so we can have time to play our Kung Fu Games."* This works really well, and if a few students don't do well, they don't hold back the entire class.

Depending upon our teaching location we have different groups of kids for our classes. The YMCA, and YWCA, have had youth programs in place during weekday afternoons, and transferring the kids into our Tai Chi Kids programs was merely a sign-up process.

Some locations require bussing the kids to our school. This expense requires funding and several grants have been located to provide these services so that Tai Chi Youth can enroll many interested youths whose schools are a mile or more from our teaching locations.

Weekend classes allow youths more time and opportunities to get to our classes. Buddha Kung Fu has been teaching weekend classes at Crescenta Valley Park since 2007. All ages are mixed together unless we have at least 10 kids for a kids program. Working with adults is also beneficial to kids, as they raise their standards of behavior and improve their language skills to intermix with the adult students.

In the past decade, families have been reducing money spent on exercise programs for their kids. Student attendance in most sports, from basketball to baseball, have declined in this century. This is a strong motivation for us to find more scholarships for these students, who may otherwise, never have an opportunity to learn Tai Chi and Kung Fu.

Over the past 30 years, America has discouraged mothers from staying home and taking care of their kids. With more single mothers, less fathers raising children, and after school programs placating student immaturities and desires, we are creating generations of kids who have no parenting skills or understanding of how to maintain a family. Tai Chi Youth classes are of the Chinese family structure. The instructor is their father, and the higher ranked students are their big brothers and big sisters. Proper manners are enforced, encouraged, and taught to all students of Tai Chi Youth. The results have been amazing. If only we could train all the kids of the world...

2. Teens ages 12 to 20.

Most teens, age 15 or more, are comfortable in our adults classes. This also helps them to have adult manners, and interact with adults more effectively. Many of their immature behaviors stand out more in the presence of adults, so they improve their manners naturally.

Our biggest problem is transporting the teens to our classes for after school programs. This requires bussing, as do the younger kids. Night classes have been easier for teens to attend, since their parents can bring them.

Tai Chi Youth encourages parents to participate in the classes with their children. This has always improved their relationships, and every parent has claimed they get more cooperation and respect from their children if they participate together. These improved relationships are very satisfying to watch develop over just a few months.

Teens have little trouble attending our weekend classes, since their parents are usually more available to drop them off and pick them up from class. This also frees the parents to run errands and shop while their kids are in Tai Chi Youth classes.

Teens have always had ways to waste their time. In centuries past, sports provided an entertaining and often healthy way for kids to spend their afternoons. Now, they play video games. Kids and teens sit for hours, playing games of violence and vulgarity that have no positive rewards and diminish their health from inactivity. This has become accepted. There are support groups and new diseases being named for kids who destroy their health playing these computer games.

Tai Chi Youth is an alternative to video games. The time spent in our classes is much better than playing video games. All students are required to practice their Tai Chi daily, so another alternative to video games becomes part of their daily life. Buddha Zhen has been designing interactive video lessons that will compete with video games, while still teaching healthy lessons, morals, and ethics to improve the student's life.

3. Adults age 18 to 50.

Adults in America are now required to work past the age of 55. This means that a 55-year-old woman must compete with a 25-year-old man for the same job. Good health should start with children, and be maintained your entire life. That is good sense and what our bodies were born to do. With many sitting jobs, an adult can become obese

and have high blood pressure, while maintaining a “*successful*” career. When these people reach the age of 40 they are dying of heart attacks.

Tai Chi Youth programs will maintain the health of students into their senior years, if they start before they are seniors. Adults wanting to have long and productive lives should “*find the time*” to exercise, in order to have a pleasant life in old age.

Tai Chi Youth programs require at least one lesson of one hour per week, for students to learn the weekly Kung Fu skills and movements. The rest of the week they can practice anywhere they want or find possible. Without having to carry around a set of weights, or drag your treadmill with you to work, each Tai Chi Youth adult can yga stretch 15 minutes in the morning, practice their Tai Chi lesson during the coffee break, and find some quiet or beautiful place after work to perform their Tai Chi. This is a Tai Chi lifestyle. The benefits are infinite. Maybe you’ll meet a movie star at the park when they introduce themselves to you as you practice your Tai Chi. Perhaps you won’t be injured when you slip and fall at work--because you stretched a little before work. All of the stress accumulated at work will be erased--by the end of their afternoon workout, so students can go home content and ready for more activity.

Adults have plenty of reasons to study and practice Tai Chi, yet somehow, we hear 9-out-of-10 adults say, “*I don’t have the time.*”

This last excuse will be overcome when we offer our Tai Chi classes online and through videos purchased online. Wherever they are, they can download or watch the TCY videos on a handheld...Still, Tai Chi Youth needs to market our programs more effectively, since many adults still believe, “*Oh, Tai Chi – that’s for seniors.*”

4. Seniors age 50 to 60.

Unfortunately, seniors believe they can start Tai Chi when they are seniors. This is as logical as starting basketball or baseball at the age of 60. Many Tai Chi instructors have placated seniors with sitting meditations and altering the movements of the Tai Chi dance so that seniors don’t have to stand on one leg. This has destroyed the reputation of Tai Chi and eliminated its health-giving benefits.

Every time you take a step, you are standing on one leg. Buddha Zhen has taught and tested many Tai Chi programs on seniors. This is a way to make money, but can be very frustrating. If a person has spent 60 years developing an unhealthy lifestyle, they usually defend everything they are doing wrong and won’t change whatever bad habits they have.

The best senior programs will be sometime in the future, when our adult Tai Chi Youth students become seniors. By lightening the workout only slightly, removing jumps and spinning kicks, seniors can continue in Tai Chi classes that will provide healthy workouts, maintain their flexibility, and keep them alive longer.

Old age has the effect of shrinking tendons and ligaments. If a person has led an unhealthy life, this shows up in old age as shortened steps and hunching over. This can

be prevented, but not cured. A Tai Chi lifestyle has proven that seniors can practice their Tai Chi into their 70s, and 80s with no difficulty.

Especially in today's modern world, adults should plan to work in their senior years. Tai Chi Youth can make seniors more productive, healthy, and ambitious, if they start taking Tai Chi classes before they are age 40.

Competition

Only one Kung Fu school exists within a 10 mile radius of Tai Chi Youth: Ying Jow Pai

Ying Jow Pai
_____ Honolulu Blvd.
Montrose, CA 91020

Ying Jow Pai is an Eagle Claw Kung Fu school from New York.

We have helped and encouraged the opening of this local school, but found them to be too competitive to be friendly. As we got to know them better, we discovered that their Tai Chi program is very weak and only of the beginner level. The owner, Master Benson Lee, is cold and unfriendly to our students of Buddha Kung Fu and Tai Chi Youth. He explained his rules to us, which include preventing our students of each of each of our schools from fraternizing with each other. This Eagle Claw school will not represent the benefits of Tai Chi or the spiritual concepts of Chinese Kung Fu. The master related several resentments about our being of a spiritual Shaolin Buddhist lineage, "monks," versus his lineage of assassins and hitmen.

Some people with violent and destructive attitudes will probably feel comfortable in this school.

TaiChiSeniors.com
www.TaiChiforSeniors.com

Mark Johnson is 70 years old and, *"...making a good living while supporting three employees,"* explained his office manager. Mark has been selling videos on line since 1995. He is self-publishing books and is *"...semi-retired. But he is still teaching a couple classes a week, travelling to do seminars, and in great health. He is a testament to the health benefits of Tai Chi."* One of his disciples is also creating Tai Chi videos and selling them online. The office manager further explained that their internet success was based on hiring an advertising firm to improve their google search ratings. When I entered, *"tai chi seniors,"* into the google search, his website came up three times on the first page. His office manager has already referred us to his advertising agent.

This online Tai Chi school sells videos of Tai Chi. Although these videos teach certain movements of Kung Fu, they are as valuable as dance lessons by video. Just because a person can learn a dance step, doesn't make them a dancer.

This school has several videos that teach different Kung Fu dances, but they are not organized into a curriculum. Nor does this school offer the guidance and instructor check-ups required by Tai Chi Youth. They don't specify any order for learning their different Kung Fu videos or have a belt rank system.

ESPY-TV Martial Arts Videos

www.espytv.com

ESPY-TV has been releasing martial arts videos since 1983. These are usually just one or two one-hour videos/ dvds that contain a lesson from one martial artist of one particular style. They have a video for just about every martial art style there is. These are usually filmed by a ESPY-TV crew that visits the master and then videotapes one class, or invites the master and an accomplice to their blank stage set. The quality of the content depends upon the qualifications and performance skills of the martial arts master.

Although they may have several Tai Chi masters represented in their videos, these are best used as a way to audition the various styles and view the Kung Fu master. No one can learn a martial art in one-hour.

The quality of our videos will be comparable to any videos sold anywhere. Some schools have nicer interiors that add a traditional environment. Tai Chi Youth will create a traditional Chinese school environment that we know will enhance the experience of practicing with the videos. We want the students to feel as though they are really in a Chinese Tai Chi class, not their living room.

In the final column, estimate the importance of each competitive factor to the customer.
1 = critical; 5 = not very important.

Table 1: Competitive Analysis

Factor	Me	Strength	Weakness	Competitor A ESPY-TV	Competitor B White Dragon Productions	Importance to Customer
Products	Excellent product Excellent quality Easy to use Easy to understand More than they expected.	Personality and character of Buddha Zhen Tested on students consistently since 1992.	No special effects or flashy stuff, not violent	Interesting variety of masters but not complete Kung Fu or Tai Chi programs. Very violent with focus on flashy moves and attacks.	Easy for parents of Karate kids to adjust to with similar rankings. More Belt Rank advancements may initially seem rewarding, but parents will eventually tire of being placated with advancements without significant achievements.	2
Price	Prices the same or lower than other Tai Chi, Kung Fu, and Karate schools.	Prices seems fair and normal.	Our long curiculum will require purchasing a lot of videos/DVDs	Pricing the same.	Pricing the same.	2

Factor	Me	Strength	Weakness	Competitor A ESPY-TV	Competitor B White Dragon Productions	Importance to Customer
Quality	Richard Del Connor/Buddha Zhen is a UCLA Film School graduate with high expectations of himself. We want to stand apart with videos that look like they were shot somewhere in China.	Better quality will be of long term value and not require reshooting.	More value is more cost. After the initial expense of acquiring camera and computer equipment, videos will be inexpensive and convenient to produce.	Less concerned about environment and traditional aesthetics than us. They have a camera and sound stage.	Despite their conversion to teaching in a Karate format, they still maintain a Chinese Kung Fu school look.	3
Selection	Yang Style Tai Chi Shaolin Kung Fu Praying Mantis Boxing	Buddha Zhen is of the first generation of nonChinese to learn Shaolin Kung Fu and Praying Mantis. This fame and respect makes him a "treasure."	People are mostly looking for modern MMA martial arts, kick boxing and cage fighting. Amerians lack the desire for a lifestyle art or Kung Fu heritage.	Large selection and large variety provides something for everyone. They will at least sell one video. Tai Chi Youth is a SERIES of videos, so that fewer students will buy many videos, rather than many people purchasing just one.	White Dragon offers Kung Fu for all ages, as does Tai Chi Youth. We will have similar products, so sales will be based upon the fame of the instructors and fame of our styles.	3
Service	Exceptional, modern, efficient and informative. Our videos and online classes will be the best.	Tai Chi Youth programs have been taught in a variety of locations since 1996. Our experience and quality we be obvious.	Our classes are demanding and traditional. Our required bookwork will deter some people from continuing the program.	They just shoot the master and sell the video.	Master Nathan Fisher has analyzed and constructed a Kung Fu program that is similar to existing Karate programs. This will be of some advantage in competing with Karate schools.	2
Reliability	Tai Chi Youth programs have been taught since 1996 with an impeccable record and professionalism.	Buddha Zhen worked for 7 years teaching classes at the YMCA while only cancelling 2 classes.	No weaknesses in reliability. Our programs have also proven to be reliable in improving physical and mental health.	Long established and efficient mail order system .	Good reputation, from Master Doc Fai Wong, in San Francisco.	3
Stability	Tai Chi Youth is dependent upon Buddha Zhen until other instructors are created and the instructional videos completed. Fortunately, Buddha Zhen is very healthy, but he needs a consistent income without the fluctuations of student attendance.	Buddha Zhen is very reliable, professional, and consistent.	Buddha Zhen needs a car and home.	Very stable with a large inventory that can be manufactured on site.	Kung Fu masters work hard at maintaining good reputations. Kids programs require a safe school location for parents to leave their kids.	3
Expertise	Buddha Zhen has proven himself as an incredible teacher of all age groups from 6 to 60. BZ has been able to teach Kung	Tai Chi Youth has already established a reputation and	We only teach Shaolin Kung Fu, Yang Style Tai Chi, and	Every martial art of the world has a video here.	Master Nathan Fisher is handsome and adequate as an American Kung Fu instructor.	1

Factor	Me	Strength	Weakness	Competitor A ESPY-TV	Competitor B White Dragon Productions	Importance to Customer
	<p>fu and Tai Chi full-time from 1984 to 2000, giving him more experience knowledge, and valuable research than any other Kung Fu master with a day job or career.</p> <p>Buddha Zhen has continued teaching in California from 2000 to 2010 despite a black widow spider bite, that prevented his ability to use his legs for six months. The recuperation of this was also a valuable learning experience for BZ.</p>	Buddha Zhen is known worldwide.	Northern Praying Mantis Kung Fu			
Company Reputation	<p>Shaolin Chi Mantis is world renowned and respected for its traditional authenticity, quality, and organization of our programs.</p> <p>Shaolin Chi Mantis was one of the first Kung Fu schools to establish a belt rank system.</p> <p>Tai Chi Youth has a vast reputation of success and accolades from the Police Chief, Mayor, and Governor of Utah.</p>	<p>Established reputation in public schools, private schools, churches, and tournaments.</p> <p>The Tai Chi, as taught by Shaolin Chi Mantis, is known as one of the best Tai Chi styles, worldwide.</p>	<p>Lack of financing to progress into internet school and hire Program Director.</p> <p>Lack of TCY Fundraising Agent, TCY Press Agent, and TCY Marketing Director also.</p>	Consistent reputation of mediocre videos.	Good reputation for good videos that are very easy to use and contain very little to learn, making them easier for kids.	3
Location	<p>Shaolin Chi Mantis, Buddha Kung Fu, and Tai Chi Youth, are all operated and taught by Buddha Zhen. Classes have been taught in many locations that provided a unique influx of students.</p> <p>Although we wanted and still want a school of our own, Tai Chi Youth will aim at using the internet as our main school.</p> <p>Buddha Zhen will always teach classes wherever he lives. Currently, Crescenta Valley Park is where Buddha Zhen is offering his programs that will now be Tai Chi Youth programs. Buddha Kung Fu programs will be additional and still available after the Tai Chi Youth classes.</p> <p>Our biggest advantage in locations will be our ONLINE CLASSES = located everywhere.</p>	<p>Tai Chi Youth can create a larger program at Crescenta Valley Park with more money for advertising and promotion.</p> <p>Crescenta Valley Park will be useful as a location to utilize grants for youth at risk programs.</p> <p>Los Angeles County Parks & Recreation have offered to partnership with us for obtaining grants for our Tai Chi Youth programs.</p>	<p>Without having a school of our own, we cannot decorate it or offer it as much as we should.</p> <p>Like renting a dance hall, we are subject to availability.</p>	Location not very important for mail order business, besides a consistent address.	White Dragon has their own Kung Fu school, so they can have weapons and décor to suit their school.	2
Appearance	<p>Tai Chi Youth had a strong image in Utah during the 1990s with all students travelling across town in Kung Fu uniforms to attend class.</p> <p>Bus drivers got used to our students climbing on board with swords and spears. (No longer</p>	Traditional Kung Fu look is unique in America.	YMCA programs couldn't enforce uniform requirements which lessened our image and	Journalistic look with many masters shown on the cover of whatever DVD you buy.	Chinese backgrounds and professional look gets closer to a traditional look.	3

Factor	Me	Strength	Weakness	Competitor A ESPY-TV	Competitor B White Dragon Productions	Importance to Customer
	is this possible after 9/11)		attitude of the students. More funding for our TCY Demo Team will enable more students to have uniforms and performance clothing.			
Sales Method	Our videos will be sold online primarily. Our sales will result from people visiting www.shaolinINTERACTIVE.com Or www.taichiYOUTH.org	Good looking website that is easy to use.	Currently, the Shaolin Interactive website is operated by the Buddha Kung Fu school programs of Buddha Zhen.	Online website: www.espytv.com	Inside Kung Fu Magazine and other pertinent publications.	2
Credit Policies	Use credit card to purchase videos and pay for classes online.	Tai Chi Youth will never charge interest for late payments.	We only get \$10 each month, if they pay late.	Use credit card to purchase videos.	Use credit card to purchase videos.	5
Advertising	Ads in some local papers will encourage more feature stories about Tai Chi Youth. These stories can be used to gain national attention.	Buddha Zhen is already featured in local papers.	Tai Chi Youth needs feature stories in national publications.	Inquiries are being made.	Inquiries are being made.	3
Image	Although Tai Chi Youth has a strong reputation with those familiar with us, the name limits our saleability. No one wants to admit they are a "youth." Tai Chi does not have a strong reputation either. The TCY LOGO of two cranes and a yin yang symbol is a well-established brand.	The logo is two cranes fighting. Buddha Zhen's Tai Chi is known as "Combat Tai Chi," by his contemporaries.	We need a Tai Chi Youth Demo Team for tournaments and exhibitions. This will take almost a year to create.	Street smart, raw, and violent.	Traditional Chinese image of the Southern Kung Fu styles. These are typically more flashy and more violent.	2

The advantages of Tai Chi Youth are in Buddha Zhen. As a Kung Fu master of the highest rank, Tai Chi Youth's reputation is Buddha Zhen's reputation. The reputation our Tai Chi programs will earn will be based upon the curriculums created by Buddha Zhen. Buddha Zhen is also a spiritual leader, who calls himself a, "*Buddhist Scientist.*" **The Zen Buddhist Podcast of Shaolin Zen** has already had over 200,000 downloads.

Niche

Tai Chi Youth will start by creating the strongest reputation in the Tai Chi world that consists of radio shows, Tai Chi schools, tournaments, and Tai Chi magazines. This will

be expanded to the Kung Fu and then the Karate enthusiasts as we gain statistics that will motivate parents to enroll their kids in Tai Chi Youth instead of TaeKwonDo.

A more significant niche for Tai Chi Youth would be the ability to stay in the forefront of interactive sports. Some of these use platforms you stand upon, and others use hand held controllers, while the newer technologies will be more 3D, using motion sensors to animate the person into the onscreen images. If Tai Chi Youth were releasing products in these categories, Tai Chi Youth would be a default choice of many athletes and customers seeking workouts in these new formats. After completing our 66 videos for *shaolinINTERACTIVE.com*, we hope to record and release future videos in these new formats.

With Tai Chi Youth pioneering these new workout formats, as they are released, we would gain extra publicity, more customers, and be positioned to be used in public and private schools as these technologies are incorporated into their learning environments and after-school programs.

Tai Chi Youth should be internationally recognized as the most innovative and advanced exercise programs teaching the world's oldest martial arts.

Strategy

Year 1: Buddha Zhen will demonstrate and be a judge at every Kung Fu tournament in the United States. There aren't that many, and they are of a high profile attracting artists worldwide.

Tai Chi Youth will advertise and be featured in every Tai Chi related magazine, worldwide.

The Crescenta Valley Park programs will enable us to secure various government grants to finance our operations and productions. The location will also serve us well for shooting our videos outdoors.

The videos will be sold online and generate feature stories.

The **Tai Chi Beginner** book release will also propel a new fundraising campaign for Tai Chi Youth. This book signing tour will be national and enable Buddha Zhen to be a guest on many television shows.

During Tai Chi Youth's first year of operation, we will train our TCY Program Director and TCY Membership Director. The TCY Program Director will have a wide range of responsibilities and will run the TCY Home Office alone. The TCY Membership Director will be necessary to handle all student issues, student problems, grant distributions per student, and organizing the online classes whenever they are in session. Eventually, when TCY is a 24/7 online operation, there will be 3 TCY Membership Directors, and 3 TCY Program Directors, working round-the-clock, to keep our online classes running 24 hours per day. When we reach this 24/7 capacity, a TCY Executive Director will be needed to oversee all TCY operations and locations.

Other than hired helpers, Tai Chi Youth will be run by three persons:

TCY Patriarch
TCY Program Director
TCY Membership Director

With seniority, as listed above, Tai Chi Youth can create its innovative programs, utilize government grants, and serve a worldwide clientele.

The TCY Patriarch, will be assisted by the TCY Patriarch's Personal Secretary, who will also handle non-TCY business, and personal matters for the TCY Patriarch. This secretary will travel with the TCY Patriarch on business trips.

The TCY Program Director, will be assisted by the TCY Fundraising Agent, who will be contracted seasonally, periodically, or part-time to solicit and administrate TCY grants.

Providing a supportive and comfortable working environment, will be paramount in creative long-term working relationships with our staff. Health plans and awards from other organizations honoring each of our 3 staff members, throughout the year, will reinforce our staff's loyalty to Tai Chi Youth.

Having an obese person working as the TCY Membership Director, would be inconsistent with our company image and goals. However, if that obese person was an active member of Tai Chi Youth, continued to be an active member, and subsequently represented the "*before-and-after*" effects of being a Tai Chi Youth member—they could be an inspiration to members and other donors. So it is required, that all staff members of Tai Chi Youth, must be active Tai Chi Youth members. As with the Board of Trustees, the employees must understand the product they are endorsing.

Year 2: Several actors and actresses will be invited to use our video series and later be used for our advertising purposes. These actors and actresses should also benefit from being a part of our innovative new programs.

Buddha Zhen will demonstrate and be a judge at every Kung Fu tournament in the United States. This second year, Buddha Zhen may sometimes be a coach, to one or more of our top TCY tournament competitors. Although Buddha Zhen cannot judge any event his students are competing in, he will still judge some events to gain favor with the tournament promoters.

Tai Chi Youth will advertise and be featured in every Tai Chi related magazine, worldwide.

A second Buddha Zhen book signing tour will promote the **Tai Chi Intermediate** book release of Shaolin Communications. With Tai Chi Youth sponsoring the tour, BZ will promote the programs through radio interviews also, in each city he travels to.

The folk rock band, American Zen, is fronted and led by The Hippy Coyote, another pseudonym of Richard Del Connor. Their current release of 2010 is, **LEVEL 4 = Kung Fu Cowboy PART 1: King Solomon's Temple**. This long-named album is the fourth

album release of this band's "*Buddhist odyssey to Nirvana.*" As the title suggests, Coyote is sharing his Tai Chi and Kung Fu with his rock'n'roll audience. The upcoming album of 2011, **LEVEL 4 = Kung Fu Cowboy PART 2: Master Mason**, is in post-production. These albums will point many fans to the Tai Chi Youth websites.

Buddha Zhen's music will also be promoted this year with Buddha Zhen's follow-up to **Tai Chi Magic 1**, released 2009 by Shaolin Records. This new album, **Tai Chi Magic 2**, will feature videos of Buddha Zhen and his students performing Tai Chi in music videos artistic and interesting enough for MTV. This will require more fighting choreography, but will create a renewed interest in Tai Chi and Kung Fu with teenagers.

Jay Leno, Greg Furgeson, and other talk-show hosts will invite Buddha Zhen on television after Buddha Zhen has proven himself in local television interviews.

Year 3: By now, the world has seen Tai Chi from our traditional Chinese perspective. This newfound appreciation of Tai Chi will generate an entirely new marketplace for us as youths seek Tai Chi Youth programs because one of their heroes of television or movie fame used our programs.

When Buddha Zhen is given movie roles we will have reached enough of the world's population to have laid the foundation for a better future for all Tai Chi schools. Especially since we raised their standards and taught the public what to expect of them.

During year 3, we have beaten all our competitors, at least in quality of current products offered. As Tai Chi Youth moves into new technologies, we will stand apart, amidst less competition, but mostly, utilize these new technologies to our benefit. Tai Chi is difficult to teach without someone looking at you. As these newer technologies develop, they will replace the teacher to some extent as we program in, "...pivot on your heels...keep your back straight...chin up...put more weight on your front leg..." based upon the program sensing these errors. This will give Tai Chi Youth the international attention of being more than a trendsetter or technological creator, we will be the future of martial arts.

Promotion

Los Angeles Parks & Recreation has submitted our flyer advertisements to the Glendale School Board. Now our programs will be recognized as approved and okay to promote at their schools. Tai Chi Youth will perform at least once per year at each local school in the vicinity of Crescenta Valley Park.

Buddha Zhen will write a column for a local newspaper, titled, "*How To Be Happy.*" This series will lay the groundwork for a column in a larger newspaper.

The promotion firm, hired by Tai Chi Youth will advance these articles and columns to be syndicated nationally, providing a larger audience and credibility for Buddha Zhen.

Buddha Zhen should also be utilized as a college lecturer and workshops can be promoted, then DVDs sold of the events. When television shows seek a Tai Chi or Kung Fu expert, they should contact Buddha Zhen for comments, and video interviews to be used in their television show productions.

Feature stories in national publications, will earn us a page in People Magazine. Buddha Zhen will earn Tai Chi Youth a larger reputation and initiate more private funding and donations.

The statistics obtained from using government grants, will create feature stories in Health sections of newspapers worldwide. Tai Chi Youth has been curing physical and mental disorders for decades. It will be useful for us to have more statistics to prove the potentials and capabilities of our Tai Chi Youth programs.

Buddha Zhen's podcast, **Zen Buddhist Podcast of Shaolin Zen**, has had over 200,000 downloads. This audience is composed of persons with an interest in Tai Chi and Yoga. It has been suggested that Buddha Zhen create a new Tai Chi podcast to better target the Tai Chi communities of iTunes and the internet.

It will take a year of private instruction for a famous movie star to really discover the benefits and increased health of our Tai Chi programs. Then, when the celebrity proclaims how wonderful we are, the truth will be obvious.

For the first year our main demographic will be Tai Chi enthusiasts. During the 2nd year we will widen to all martial arts publications, styles, and shows. By the end of the 2nd year, Buddha Zhen's celebrity status can be exploited as an actor in several movies. This 3rd year, will be the year that Tai Chi Youth and Buddha Zhen show the world what Tai Chi is. Tai Chi Youth may even be part of the new advertisements announcing the newest PlayStation and Xbox products.

Promotional Budget

Promotions will be conceptualized and overseen by the **TCY Marketing Director**. This is a volunteer position that will enable us to use persons from a wide range of Hollywood promotional firms, who will serve on the TCY Board of Trustees for 2 years each. This person will provide us with insights, experience, and help us jump into the new technologies and provide industry contacts to who can help Tai Chi Youth be promoted within these formats.

The **TCY Press Agent** is also a volunteer position of the TCY Board Of Trustees. This person's connections with the media and television will help us knock on doors that our hired promotion firm is unsuccessful with.

The **TCY Press Agent, and the TCY Marketing Director**, will be overseen by the TCY Program Director, who will implement their strategies and utilize their resources to achieve our promotional goals. The TCY Board of Trustees has final approval over budgets and campaigns, with the TCY Patriarch and TCY Program Director making it happen.

Tai Chi Youth will need to hire promotional firms to coordinate our advertising and requests for features and interviews. The TCY Program Director will oversee the promotion contractors and eventually acquire some of these promotional activities. The TCY Fundraising Agent was originally created for this role, but has never proven to be effective.

Instead of having the **TCY Fundraiser** oversee the contracted fundraisers, the TCY Fundraiser will now be a hired position for a nonprofit fundraiser with experience and contacts in place for Tai Chi Youth. This will remove a layer of management to create efficiency. As a paid position, Tai Chi Youth will finally have access to financial resources requiring more experience to obtain and manage. As a TCY Board of Trustees Officer, the TCY Fundraising Agent will provide accurate information to the board, and respond to questions and suggestions directly.

The **TCY Press Agent** should be a volunteer position so that we can gain the experience of persons we might not be able to afford or obtain otherwise. This means that Tai Chi Youth will have to hire promotion firms and PR persons to perform these promotional efforts and duties. Since the first three years of Tai Chi Youth's operations will be promoting Buddha Zhen, it will be necessary to develop an entire promotion campaign for Buddha Zhen as musician, Kung Fu school founder, Tai Chi teacher, Zen master, and ONLINE CLASS STAR. Although future patriarchs of Tai Chi Youth will not be renaissance men, like Buddha Zhen, they will require promotion for some skills, if not just representing Tai Chi Youth in the media, magazines, and online star.

During each half-hour online class, the **TCY Membership Director** is busy organizing the next class's batch of students. The TCY Membership Director will not be available for dealing with promoters, schools, principals, fans, distributors, and book agents of Buddha Zhen during these classes.

During each half-hour online class, the **TCY Program Director** will be running the office and providing service to walk-in students, online students, emails, and phone calls. For dealing with grantors, and donors, in an unhurried environment, conducive to sales and school business, the TCY Program Director will conduct his management work when classes are not in session. *If this doesn't provide enough management time for the TCY Program Director, an office assistant or traffic secretary may be hired to handle phone calls, walk-ins, and mail.*

During each half-hour online class; the TCY Patriarch will be contacted by individuals and organizations unknown to the TCY Program Director. Many of these distributors of Shaolin Records and Shaolin Communications products will require relationships outside the activities of Tai Chi Youth. The **TCY Patriarch's Personal Secretary** will handle all personal business, business outside of Tai Chi Youth, and coordinate all the action lists and responsibilities of Tai Chi Youth for the TCY Patriarch's increased organization and reduced stress. Whenever the TCY Patriarch travels, he/she will require the accompaniment of the TCY Patriarch's Personal Secretary. The TCY Disciple of the Patriarch will also coordinate with and benefit from the services of the TCY Patriarch's Personal Secretary.

The Tai Chi market is rather small, and advertising costs will be reasonable. Color ads should be used when possible. Unlike Shaolin Chi Mantis and Buddha Kung Fu, Tai Chi Youth can be more youthful in its advertising looks. Wild colors and funny letters will be appealing to youths and adults looking for “fun” exercise.

Tai Chi Youth should strive to be appealing. I look forward to seeing what we come up with. It will be the responsibility of our hired promotion firms to insure we tap into current trends without weakening our overall image. The **TCY Marketing Director and TCY Press Agent** will create the promotions. The TCY Marketing Director will implement the promotion and marketing strategies, as the TCY Patriarch works to reinforce and augment these promotions in his travels and promotions. Coordinating these staff to work in harmony will be the final decision making of the TCY Patriarch who must stand behind all our activities. Final scheduling and assignments will be available at all times from the **TCY Program Director**.

For \$1,500 per month, we could retain a company to handle all of our advertising requirements. They would have graphics, copy, and photos to create and coordinate as many ads as possible and target them to the correct audiences.

The graphics expenses and shipping could be another \$500 per month.

This \$2,000 per month expense would be diminished during the 2nd year of operation as the TCY Program Director assumes many of these contacts and advertisements. However, during the 3rd year, when Buddha Zhen attains national stardom, we will need a higher-level promotion-marketing firm that can get Buddha Zhen on talk shows. This firm should already have started work by the end of the 2nd year. At least \$3,000 per month may be required from a firm of this size.

Year 1: \$2,000 per month Hire promotion firm 1

Year 2: \$3,000 per month Hire promotion firm 2

Year 3: \$3,000 per month Hire promotion firm 2

Throughout all of these promotion and marketing campaigns, the TCY Fundraising Agent will be utilizing our current press and promotions to fuel the fundraising activities of Tai Chi Youth. The TCY Fundraising Agent will be responsible for locating and researching new and existing grants in the government and private sector. Some of these grants and donors will be assigned to either the TCY Patriarch or TCY Program Director, for filing and follow-up, depending upon which person is best suited to that particular grant or donor.

Pricing

Our DVD prices are \$19.88.

Our CD prices are 18.88.

Our PDF BOOK prices are 12.88.

Most of the feedback we have so far, is from our Kung Fu and Tai Chi students. They already understand that we like the number 8, for its Chinese spirituality. However, they still seem tickled by it. It makes people giggle to see a lower price than we could charge. Maybe they sense that we enjoy not being greedy. At any rate, customers like our pricings ending in .88, and have never complained about it.

TCY prices are based upon current prices in the same markets we currently distribute our records and books, such as amazon.com and iTunes.

Proposed Location

Classes and video shoot location: Crescenta Valley Park

Crescenta Valley Park
3901 Dunsmore Ave.
LaCrescenta, CA 91014

Although we have access to the inside of the large recreation center building, we usually prefer to use the outdoor patio, which resembles a Chinese outdoor patio. This location, with a few hanging lanterns will serve as our location for shooting the instructional videos. This saves us a lot of money in studio fees and location fees.

Tai Chi Youth Home Office: Office near Buddha Zhen's residence

Montrose Building
___ Honolulu Blvd.
Montrose, CA 91020

Parking is convenient, with a free public parking lot across the street. 2 parking spots are provided for each unit rental. Tai Chi Youth won't be conducting classes at our office, except online classes, counseling, and private lessons. The office will be either a large office, 40' by 40', subdivided or two separate offices: an office for the Membership Director and Program Director, and online studio. Two 20' x 20' studios could comprise the TCY Home Office. They need not be adjacent, but this would be preferable.

The TCY Online Studio will require constructing a soundproof room similar to most recording studios. This will prevent our neighbors from interfering with our classes, and our classes from being heard by our neighbors. The weight of this online studio may require us to be on the ground floor of our building. Building permits will be obtained. As we progress, these constructions designs will be the blueprints for other TCY Online Schools worldwide. Richard Del Connor is an experience carpenter and contractor who has built some of the finest studios in Southern California.

Distribution Channels

The online group classes and online private lessons will be exclusively offered through our website signup process using **PayPal for processing orders** from bank accounts, credit cards, or other PayPal accounts.

The **Membership Director** will verify payments, schedule classes, and organize the students each half-hour into groups of students for the TCY Patriarch. We will be developing new software and procedures to implement this system and keep a steady flow of classes going.

The **TCY Patriarch** will have various monitors in the TCY Online School so that he can see students while he is teaching. Several methods are being designed so that the instructor can zoom in on specified students and allow specific students to correspond with the instructor.

The videos and DVDs will be sold at our Tai Chi Youth website:
www.taichiYOUTH.org

During the first two years, the **Tai Chi Youth website** will be the main outlet for selling our videos and products. The cost is low, and inventory will be minimized by selling most of our books in PDF downloads, with video and music downloaded from the internet at virtually no expense to Tai Chi Youth. Most of these internet sales require no inventory beyond our server expenses.

The inventory for these online downloads are kept on a secure server of low cost, that will efficiently provide customers with these products within seconds of their online ordering.

The **TCY Publisher**, will oversee all website products and website designs. Although the TCY Publisher is a volunteer position, the work and web maintenance will require weekly updates and annual upgrading with new technologies and software upgrades. The TCY Patriarch and TCY Program Director will handle the bulk of web updates, and web page upgrades. When web designs exceed the abilities of the TCY staff, 3rd party web design companies will be employed on a contract basis, e.g. create a secure login process for students, or an attendance system to track students by magnetic-strip login id cards. Then, existing staff can utilize the upgrades to our website. The TCY Publisher may aid us in hiring, contacting, or producing these website requirements. It is hoped that by having a volunteer TCY Publisher, for overseeing our contracted companies, we will gain valuable insights and benefit from their experience and quality control for us.

The **TCY Membership Director** will be responsible for updating student accounts, logging in belt tests and organizing the online students for each online class. TCY Membership Director feedback will refine our internet university into an easy-to-use system. It is anticipated that some schools may be operable as online studios without an office or other personnel. As this process becomes more efficient, a TCY Membership Director may work from his/her home, providing the associated TCY Online School with the assistance and student coordination required.

Sales Forecast

Sales will be from two primary sources: students in our classes, and students online.

Students in our classes will be of two types: paying students, and students on grants.

Sales based upon paying students will be based upon average buying trends and imposed uniform codes of Tai Chi Youth. This will require each paying student to have at least one uniform and one school shirt. We can also project their annual membership fees and belt test fees. These will be minimal predictions, especially in today's current marketplace where people purchase as little as possible, even of what they need.

Sales based upon students on grants will be easier to forecast. Each of our grants will include specified quantities of uniforms, books, and belt test fees. These will be more consistent sales as the students on grants are provided with one new uniform each semester that will be billed to the grant.

Sales based upon our online grant students will be the easiest to predict, with purchase scheduled into each grant. If students do not perform to the standards required to maintain their grant, they will be dropped and another student waiting in line will begin to receive that grant and its rewards. This will enable to us to provide the quantity of services we are projecting, insure the rewards to our investors and grantors, while protecting the quality of our services.

A TCY Membership Director will be the key to a constant smooth flow of online students. By scheduling and coordinating the online students for group and private lessons, this person will also be able to make adjustments to our attendance forms on a daily basis to verify grant usage and student achievements. The TCY Membership Director could operate from a remote location, or home, without requiring an additional TCY office space. However, in order to improve efficiency, minimize problems, and expedite the mastery of our new software and teaching practices, the TCY Membership Director will be of highest value in our TCY Home Office, until we are confident that all problems could be solved, with The TCY Membership Director working remotely.

24/7 TCY Classes

Eventually, as we acquire a worldwide audience, Tai Chi Youth will need to offer its online programs and services 24 hours per day, 7 days per week, to coordinate with student schedules all over the world. This will require working in shifts, with the possibility of many video camera stages operating simultaneously, in different languages, to students of every possible nationality.

This current business plan is based upon the first three years of startup as Buddha Zhen is the only possible instructor of Tai Chi Youth, and can only work one shift per day. This is another key man feature of Buddha Zhen, that will require several years to

diminish, until Tai Chi Youth creates other TCY Instructors to replace him, and after Buddha Zhen completes all the videos he needs to oversee and be featured within.

VI. Operational Plan

The **Tai Chi Youth Home Office**, will be run by the TCY Program Director on a full-time basis. During the first year, the TCY Program Director will be learning and organizing our fundraising, promotions, and advertising, by coordinating 3rd party contractors along with the TCY Fundraising Agent. During the subsequent years we can train our own staff to fulfill these duties, relying less on outside contractors, after we have established working relationships with the magazines, newspapers, and television stations. Some projects may require hiring consultants or 3rd party contractors to design a computer application or website function.

The **TCY Program Director** will oversee all TCY programs, and be responsible for the accounting, and legalities involved. This data will be required by grants and useful in cost analysis.

The TCY Program Director may also be the **TCY Committee Director**, or oversee this position, that is the hub for all committees to communicate to and have their questions and problems delegated effectively for resolving. The TCY Committee Director will coordinate any special or regular committees created by TCY Board of Trustees. The TCY Committee Director will be a member of each committee and the focal point of all committee communications, projects, and problems.

The **TCY Board Of Trustees** will be composed of the most valuable and best-suited members of Tai Chi Youth. As volunteers, we will need to make these meetings enjoyable to attend. The rewards of donating time to the TCY Board of Trustees must be known in the local community by honoring our members for talents and successful projects. To create interest for large donors, we will need to promote Tai Chi Youth's benefits and values locally and in the press nationally. Donors will be awarded each year at our TCY Annual Membership Meeting where they can be honored with a plaque presentation. Donors should also be listed in a prominent and professional manner on our TaiChiYouth.org website.

The TCY Program Director and other Trustees will maintain memberships in local councils and business associations to enlarge our networking, continually search for new Trustees and Volunteers for our fundraising, and as members of the TCY Advisory Board.

The **TCY Advisory Board** will be an adjunct to the TCY Board of Trustees, with the TCY Advisory Board having its own monthly meetings, in addition to attending the first stated meeting each month of the TCY Board of Trustees. The TCY Advisory Board can have fewer requirements for membership than the TCY Board of Trustees. This reduction of requirements will enable TCY to have valuable and talented people supporting the TCY Board of Trustees. The TCY Advisory Board will not have any voting power during TCY Trustee meetings, however, their advice and positions will be respected equally.

The TCY Executive Director was Richard Del Connor, also known as Buddha Zhen. The **TCY Executive Director** will be Richard, working under the job title of "TCY Patriarch," and will be teaching all of our classes for the first three years of operation.

By then, we will have assistant instructors who can teach beginner level classes. Some of them will eventually rise to instructor level. During this time, Buddha Zhen will be making the instructional videos that will be necessary to carry on his legacy, preserve his teachings, and insure the consistent quality standards Tai Chi Youth has established.

The **TCY Program Director** will be trained to absorb many of the TCY Executive Director responsibilities, with the rest being maintained by the TCY Patriarch. This cost savings will not cause any inefficiencies until we obtain more than one location. With multiple TCY production facilities, schools and offices, a TCY Executive Director will be required to oversee all the locations collectively.

Richard, as **Buddha Zhen**, will be teaching classes online to groups, individuals, and groups of individuals at various times on various days. Schedules will be designed based upon availability and the needs of our students. With students worldwide, requiring time slots around the clock, we will eventually provide a 24-hour service, when we have trained enough instructors to work 24/7.

Videos will be shot during the weekend classes at Crescenta Valley Park until all 66 of the initial *shaolinINTERACTIVE.com* videos are completed. A “**Tai Chi Kids**” and “**Shaolin Kids**” set of videos will be produced subsequently.

Richard Del Connor will oversee the TCY Program Director and the part-time employees of Tai Chi Youth. Working for the TCY Board Of Trustees, Richard will be “*wearing many hats,*” until other heads can be found to fill them, including:

TCY Patriarch	Overseeing the instructors, programs, and curriculums
TCY Publisher	Web designer, printing and graphics, books and publications
TCY Fundraiser	Hiring fundraisers, overseeing all fundraising and grant writing
TCY Abbot	Head instructor of Tai Chi Youth

Production

Tai Chi Youth will be producing or selling 3 types of products.

Tai Chi and Kung Fu Classes

1. Classes at a location attended by tuitions and scholarship grant students
Currently 2010: Classes are taught at Crescenta Valley Park, LaCrescenta, CA
Classes will be taught by Buddha Zhen for the first 3 years
Beginner classes will be taught by assistant instructors, as possible
Tai Chi Youth has teacher requirements and specifications
Eventually, classes can be at more locations, and have more online instructors
Tai Chi Youth will offer one or more curriculums licensed from SCM

**Tai Chi Youth Instructor Guide #1
Tai Chi Youth Online Curriculum
12 Step 12 Week Kung Fu Bootcamp
Tai Chi Kids
Shaolin Kids**

Income from these classes will be paid monthly, or by semester, or by year
Discounts are offered for paying more than one month or semester
Family discounts provided for families with 2 or more participating students
Scholarship grants are annual
Students departing before end of grant are replaced to fulfill grant

Online Tai Chi and Kung Fu Classes

2. Online classes to individuals and groups

Group online classes and private online lessons require prepayment at PayPal
Students purchase quantities of classes or individual session

Emails confirm time reservations

Group lessons available to all prepaid students available, per network

Classes are 25 minutes with require water breaks in group and private class

Each 5-minute "down time" half-hour, Membership Director "loads up"

During prior 25 minutes, Membership Director confirmed PayPal

Students "uploaded" to TCY computer screen

Membership Director may comment to student briefly:

Upcoming events

Payments due or upcoming

Graduations upcoming

Comment on student environment

Clean their room

No offensive posters in background

Lighting problems on student

Test student Kung Fu pose lighting

Comment on student clothing

Encourage uniform during lesson

Encourage sash to show belt ranking

Encourage professional appearance

Students are loaded into sectioned screen for group lesson

Private lessons are loaded ½ screen, so Shifu can see himself

Students start each online lesson as if in a real Chinese Kung Fu class

Students behave as if in a real Chinese Kung Fu class

Books, Uniforms, Music, DVDs, and Weapons

3. Books, uniforms, music, and videos

The books, music, and videos of Tai Chi Youth, were authored, written, and created by founder, Richard Del Connor, under his pseudonym of Buddha Zhen Shen-Lang, "*Buddha Zhen*." These books are primary to the Tai Chi Youth curriculums, which require particular sections of a particular book to be studied with a particular section of the Tai Chi form. It is the integration of this mind plus body training that created many of the life improvements we develop in our students. Tai Chi Youth is truly, a mind/body development system.

The music of Tai Chi Youth will eventually include works by students who will have an opportunity to develop, learn, produce, and manufacture their works in association with Tai Chi Youth. These products and projects will bonuses for Tai Chi Youth as it takes credit for helping develop the talents of our students.

During the first three years, Tai Chi Youth will have low-cost access to the music of Buddha Zhen for all video productions and online programs. Buddha Zhen has begun his second album that will be instrumental in our online videos and he will compose music to augment our many productions. The costs of acquiring and commissioning this music, will be diminished by the licensing of these songs through Buddha Zhen's music publisher, Shaolin Music.

Books are published by Shaolin Communications, founded in 1984, with Shaolin Records, Shaolin Music, and Shaolin Pictures, by Richard Del Connor. All these businesses are sole-proprietorships of Richard. As a one-man operation, Richard is anxious to license products to minimize his efforts and avoid any manufacturing or inventory. The videos produced by Shaolin Pictures will be licensed to Tai Chi Youth for sale and distribution. Musical products by Buddha Zhen will also be licensed so that Tai Chi Youth can recombine them with other products and projects as required. By obtaining licenses to manufacture, reproduce, and distribute these products, necessary to Tai Chi Youth programs, TCY will reduce cost and increase profit.

Uniforms are a consistent mail order business to martial artists worldwide. Most projected sales are from our students. Students on grants will be purchasing, through their grant, one uniform each semester. Grant student purchases are easy to forecast. Online students will have to purchase a uniform for belt test approvals, so minimum sales can be projected by online student enrollments.

With **new interactive technologies** developing, Tai Chi Youth will seek to be at the forefront of these markets. Perhaps, due to a lack of newly developed exercise products, Tai Chi Youth will be purchased more often in these new technologies and formats. With our curriculums and programs remaining consistent, we only need change how we present our products in each new format and media, while not changing our products at all. Packaging and online appearance will affect sales.

Video Productions: The quality of our Tai Chi and Kung Fu programs is already established with all 4 TCY curriculums having been tested and taught by Buddha Kung Fu schools, Shaolin Chi Mantis schools, and Tai Chi Youth programs. The quality of our videos will be a measure of how "*Hollywood*," we can be. Our instructional videos will have short scenes of battle and demonstrations that will entertain the audience IF our production values are movie-like, not home-made looking. Richard Del Connor is a

graduate of the UCLA Motion Picture Program in 1987. With a background in “old school” movie making, we will strive to compete with the best made movies of the past, rather than the dark shadowy videos of today that are colorless to lower costs of their special effects.

Buddha Zhen Patriarch-Movie Producer

By utilizing Buddha Zhen as a “free talent” and “free director” and “free movie producer” and “free editor,” and “free graphic artist,” and “free cinematographer,” and “free lighting director,” Tai Chi Youth will obtain its needed books and videos at a lower cost than hiring 3rd party contractors and professionals. As a salaried employee of Tai Chi Youth, Buddha Zhen will be able to produce our videos at no extra charge. Video professionals, will be hired by Tai Chi Youth as independent contractors. Tai Chi Youth’s investment of camera and computer equipment is a small price to pay for the normal expense of hiring a production company to produce these initial 66 videos of *shaolinINTERACTIVE.com*. Richard Del Connor has already been training his students in the set design, choreography, and camera locations they will be shooting these videos. Students will volunteer to help with lighting and sound recording, also lowering production costs.

With Richard Del Connor producing our videos and music, Tai Chi Youth will have the products in the quickest manner possible, at the lowest cost possible and have the licensed masters at a low fee to enable a profit margin of 75% to 100%. With legal rights of all products owned by their respective owners, Tai Chi Youth can reduce its expense in overseeing and administrating copyrights, required only to pay biannual royalties when applicable to products sold.

Tai Chi Youth has a recognized logo and brand that has been seen by millions on the internet, on our flags during marches, magazine articles, newsletters, and in newspaper advertisements. Since 1995, the Tai Chi Youth cranes-yin yang logo has been freely used by Tai Chi Youth, allowed by its artist, Buddha Zhen.

With Buddha Zhen teaching classes, publishing our books and videos, teaching online lessons, and maintaining our website, the TCY Program Director will be the customer service person of Tai Chi Youth. By having someone in the office throughout the day, students can stop by to purchase uniforms, books, or pay fees.

The TCY Membership Director in the office, at least during the online video classes, will handle student issues of any individual basis. The TCY Program Director is responsible for classes as a collective and will solve all class, location, and teacher issues. The TCY Patriarch will address any issues regarding how classes are taught, and solve problems regarding instructors and assistant instructors.

Location

Although our original **TCY Business Plan of 1996** specified our school layout and size requirements, we have changed our mission and business plan to reflect our new goals

of utilizing satellite locations for physical classes, while teaching online to even more students, while selling videos to many more.

The size requirements of our TCY Home Office includes the size requirements of our online school video-chatting. Separately, the office could be 20' x 20', and the TCY Online Studio could be 20' x 20'. The same computers used to edit our videos will be the same computers used for our website maintenance, so the drawing reflects a minimum size requirement. (see Appendix Figure 1)

Office business hours: Monday through Friday: Noon to 9pm

The TCY Program Director, and TCY Fundraising Agent, work from 9am to 6pm, utilizing the quiet office time during the morning for donor, grant, and other business calls.

Legal Environment

Tai Chi Youth will require a unique mixture of legal agreements:

- **Licensing and bonding requirements:**
By partnering with Los Angeles County Parks & Recreation, Tai Chi Youth can take advantage of the Parks' licenses. This reduces cost and effort.
California State Sales Tax
- **Permits**
Los Angeles County Business Permit: _____.
Los Angeles County Building Permits:
- **Legal Structure:**
Tai Chi Youth is a non-profit corporation of California.
- **Health, workplace, or environmental regulations:**
Building Department regulations will be maintained in all construction designs.
Computers will be kept in a separate temperature controlled room.
Health plans will be provided to our 3 key personnel of TCY Patriarch, TCY Program Director, and TCY Membership Director.
The TCY home office is the office workplace of all TCY staff.
Our main satellite location, Crescenta Valley Park, provides insurance...
TCY will strive to be environmentally friendly.
Richard Del Connor was named for his uncle, Dr. Richard E. Warner, the founder of environmental biology in the 1950s. Richard has always been inspired to be eco-friendly.
TCY will offer most products by internet, with little manufacturing, and correspondence by email, creating a "green company."

- Special regulations covering our industry or profession:
Some California State Government contracts require licensing and large fees. Los Angeles County Parks & Recreation will provide us a contract location address, eliminating many costs, so we can obtain some of these government contracts from the Justice Department, and Board of Health.
- **Zoning or building code requirements**
All building code requirements will be maintained in remodeling.
- **Insurance coverage**
Undetermined.
- **Trademarks, copyrights, or patents (pending, existing, or purchased)**
The videos, books, dvds, and online lessons will be legally owned by the copyright owners and creators of the creative works. Tai Chi Youth will purchase these items wholesale and sell them for a profit, usually of 100%. The TCY Cranes logo, may be purchased by Tai Chi Youth as its exclusive trademarked logo and brand.

Personnel

- **Employees:**
TCY Patriarch
TCY Program Director
TCY Membership Director
TCY Patriarch's Personal Secretary
TCY Fundraising Agent *(Paid version of TCY Fundraiser)*
Part-time Employee 1
Part-time Employee 2
- **Type of labor (skilled, unskilled, and professional)**
TCY Patriarch (skilled, professional)

Kung Fu Instructor	Skilled teacher with lineage and certification
Tai Chi Master	Skilled teacher, requiring certification
Non-profit Manager	Professional, Business Management experience
Publisher	Skilled in web design, desktop publishing
Producer, Music	Music for our videos and websites
Producer, Video	Coordinate video production
Editor, Music	Music for our videos and websites
Editor, Video	Editing video footage into products
Copywriter	Dialogue, books, websites, and video
Curriculum Writer	Organize all lessons, readings, and bookwork
Author	Books for teaching Tai Chi and Kung Fu
Graphic Artist	Graphics for books, products, videos, and web
Web Designer	Create and update website
Webmaster	Maintain and update website
Talent	Actor in videos, books, and website
Trustee Officer	TCY Board of Trustees officer

Executive Director	Responsibilities of TCY Executive Director
TCY Program Director	Professional, Business Management experience
	Accounting, legal knowledge
TCY Membership Director	Accounting, management experience
TCY Patriarch's Personal Sec.	Secretary and travelling companion
TCY Fundraising Agent	Paid position for existing donors, grants
Part-time Employee 1	Unskilled assistant instructor of TCY
Part-time Employee 2	Unskilled assistant instructor of TCY

- Richard Del Connor / Buddha Zhen, is the first and key person to hire of TCY. Richard will recruit employees, trustees, and volunteers through the networks he has established at the SBA, SCORE, Tujunga-Sunland Chamber of Commerce, Glendale Chamber of Commerce, and Burbank Chamber of Commerce. All three employees will maintain memberships in these organizations to widen our network of resources and donors. These membership fees will be paid by TCY.

- **Pay structure**

TCY Patriarch	\$6,000/month	72,000/year
TCY Program Director	\$4,000/month	48,000/year
TCY Membership Director	\$3,000/month	36,000/year
TCY Patriarch's Personal Sec.	\$3,000/month	36,000/year
TCY Fundraising Agent	\$2,000/month	24,000/year
TCY Assistant Instructors:		
Leading satellite classes	\$25/hour	
Office assistants	\$10/hour	

All pay raises = 10% annually

- **Training methods and requirements**

TCY Patriarch, Buddha Zhen, requires no training. Buddha Zhen is already hired and working since 1996.

TCY Program Director will require one year of training and learning how to do many of the jobs that will be allocated to 3rd party contractors during the first year. Various nonprofit training programs are available and will be pursued by our employees as they apply to their job specifications or the needs of Tai Chi Youth in general.

TCY Membership Director will be developing the job duties as they are created in our new online school system. The first two years of operation will be the most difficult as we develop, create, and invent the best ways to perform our online school.

Several **computer programmers** and digital production people have been contacted regarding this TCY Online School. Our innovative ideas and requirements are ground-breaking and newsworthy. Many companies and individuals are anxious to help Tai Chi Youth create our unique online programs for their own fame and rewards.

Inventory

- CDs, Books and DVDs will be stored in the TCY home office for **mail order**. These physical copies will only be 10% or less of products sold, because they cost twice as much as the downloadable versions of these items sold on the Tai Chi Youth website. Shipping costs must also be added to physical mail order sales. Mostly, our students with grant scholarships will be provided printed books, and paperwork since they may not be capable of producing them from the downloads they will also be provided.
- Online versions of our CDs, books, and DVDs will include the artwork needed for our customers and students to print their own CD labels and tray cards. If a student wants to print out the book they downloaded, they can print it in Black & White to save money, or print the book in color on their own home printer. The production masters of these downloaded products are stored on servers of PayLoadz.com, where they are downloaded from, by our customers. This monthly service fee for storing gigabytes of products is very cheap with a 2% charge on downloads. PayPal also charges another 3% of our sales.
- Backups of our computers are also part of our inventory.
- Costs of our CDs and DVDs can be reduced by manufacturing 1,000 copies at a time. If Tai Chi Youth is storing 1,000 copies each, of 4 records in CD format, the storage space will be only one of our storage room shelves of 15-foot length.
- DVDs of our TCY Programs, will be burned, printed and assembled by the TCY Membership Director. When we reach a consistent volume of mail order sales of our online videos, for mail order, we will consider pre-manufacturing them by the 1,000 and store them on-site, for shipping.
- CDs and DVDs can be stored for years and sold as new. By ordering in batches of 1,000, or replicating and printing in our office, we can keep inventories at a minimum to reduce storage costs and space usage.
- CDs and DVDs can also be stored at our replicator by paying a monthly fulfillment fee plus shipping costs. Orders of CDs or DVDs are forwarded to our replicator, who will keep a stock of each of our products. The replicator will ship our products directly to the student-customer of ours. The replicator will decide when our inventory is low enough to print/press/replicate a batch of 1,000 of our products and bill us accordingly. This service will eliminate our storage costs, simplify our shipping, and automatically replenish our inventory when low. To simplify operations and workload of our staff, we will use fulfillment services when applicable.
- Uniforms will take up more space than the DVDs and CDs and have a lower profit margin. The convenience, consistency, and quality we provide to our customers and students will strengthen our overall business image and customer satisfaction. By requiring even our online students to wear their Kung Fu uniforms, we will be encouraging them to wear their uniforms and school T-shirts more in public. This is free advertising and good promotion.

- Tai Chi Youth can offer a wide range of T-Shirts that we can contract a 3rd party firm to handle our manufacturing and fulfillment. As orders of T-Shirts arrive at TCY, we forward these orders to the contractor firm that will print these shirts and send them directly to the customer for us.
- There are some consistent fluctuations in sales that we can account or plan for, but mostly:
 - Christmas gifts of our shirts, music CDs, and first DVD of our TCY program.
 - January “New Year’s Resolutions.”
 - September: school year start = sell in batches to schools.
- Even if we have to replicate, print, and assemble our DVDs, the labor will be less than 5 minutes each—so fulfilling orders will be quick and efficient.

Suppliers

CD and DVDs:

- TSI CD Replicator
24831 Avenue Tibbets
Valencia, CA 91355

Shaolin Records has utilized TSI for printing 1,000 CD orders
They offer fulfillment services for our CDs, DVDs
They are also a printer and packager
TSI was a cassette duplicator during the 1980s

- Office Depot
3030 Foothill Blvd.
Glendale, CA 91214

The worklife rewards program creates a significant discount with store money earned by returning our empty ink cartridges and purchasing supplies from Office Depot.

Uniforms:

- Beijing Imports
9111 Jackwood St.
Houston, TX 77036-7333

Beijing Imports has been supplying Shaolin Chi Mantis, Buddha Kung Fu, and Tai Chi Youth, with uniforms and imported weaponry from China since 1994. We have a wholesale relationship with Beijing Imports.

- There are several Chinese importers we will test in small orders, before developing a relationship with. Each year we will update our Business Plan to include new distributors and importers.

T-Shirts:

- CafePress.com
1515 Aurora Dr.
San Leandro, CA 94577

Buddha Kung Fu and Shaolin Records have been selling T-shirts, sweaters, license plates and many other items through this online distributor. CafePress is a complete fulfillment service for orders made through their website. Tai Chi Youth links our website page, so that when the customer orders, the order is from their website. CafePress issues us a commission per each order. This service is not very profitable without making our online prices higher.

- Superior T-Shirts
10285 Glenoaks Blvd. #11
Pacoima, CA 91331

By ordering our shirts in dozens, we can increase our profit margin and lower our order prices. This inventory will be stored in the TCY Home Office and shipped out by the TCY Membership Director who will know which students have ordered which uniforms, clothing, or classes at any moment by viewing the students in our database. These are quick turnarounds and can be ordered by phone or email. We send the artwork, and they ship our shirts to us.

Credit Policies

Tai Chi Youth will not offer credit policies. If persons want to pay by credit card, they are using their own credit procedure.

If students are unable to purchase clothing or classes, we can barter their expense in office duties and errands. Scholarships will include all tuition fees and clothing expenses. Perhaps some scholarships could be “partial,” and cover only clothing needs for online students unable to barter with us. Some online promotion duties can also be “subbed” out to students in different countries who speak other languages.

Managing TCY Accounts Receivable

- Accounts receivable from students, will be handled by the TCY Membership Director. Students, who fall behind or cannot continue to purchase online lessons, will be advised to apply for our scholarships.
- Another method of helping low-income students is our reward systems. e.g. If an existing student gets three new students to sign up for one lesson, he receives

a free lesson. If the student gets three new students to purchase one month lessons, he/she receives one month free lessons.

- Collecting money from donors, and grantors, will be initiated by the person responsible for that particular client. After 30 days, and 2 reminders, another member of the TCY staff, will make a request. After an additional 30 days, the TCY Membership Director will make the final call, being 90 days past due. This final call will be of terms preapproved by the TCY Board of Trustees, so that we don't burn any bridges, unnecessarily. It is possible that someone on the TCY Board of Trustees, or TCY Advisory Board, may get involved and contact this client to pay their bill or complete a donation.
- Tai Chi Youth will avoid credit contracts, and avoid hiring collection firms. TCY will not ship items unless they are paid for, and items cannot be downloaded unless the credit card is approved first.

Managing TCY Accounts Payable

Tai Chi Youth will prepay most all of our purchases. Larger orders of 1,000 CDs or books, may require a 50% deposit. The balance is due upon delivery. Similar 50% deposits may be required for T-shirts and promotional items also.

VII. Management and Organization

Tai Chi Youth was founded by Richard Del Connor, in 1996. Since then, TCY has been run by Richard, who has also been the only class teacher. Richard is more than a key man, he is the only person who can run and develop Tai Chi Youth until other instructors are created. When Richard is teaching classes as Buddha Zhen, he is unable to take phone calls or handle any TCY business management. Buddha Zhen will always teach some classes, online or on location, but these must be minimized so that Richard can spend more time in the office or performing his TCY Patriarch duties. Buddha Zhen is internationally recognized since 1994 as a certified Kung Fu and Tai Chi Master who teaches Shaolin Kung Fu, Yang Style Tai Chi, and Northern Praying Mantis boxing. (See Appendix-)

Of Buddha Zhen's classmates who also became teachers, two of the four would be competent to teach our TCY classes, but they would have to give up their own curriculums and schools...which they won't. The only way to replace Buddha Zhen would be to train students our way, with our curriculums, with our goals, and our methods. This will be easier, than retraining and converting any existing Kung Fu master, who will be prejudiced and expected to continue the lineage of his own Kung Fu master.

Buddha Zhen is a musical genius, performing since 1964, on a wide variety of instruments. Richard began as a classical musician on piano, orchestra trombone, then in 1967, became a self-taught guitarist. He has performed on hundreds of stages, and with dozens of music groups and orchestras as a bassist, singer, guitarist and percussionist. Richard Del Connor became a recording engineer in 1974, and has been producing jingles, commercials, songs, and soundtracks since then, in a wide variety of studios including the most expensive recording studios in the world.

Richard became a studio designer in 1977 and has remodeled and built some of the world's most famous recording studios. Richard has been a session musician in commercials, albums, and movie soundtracks, performing with many famous artists of Fleetwood Mac, Badfinger, Frank Zappa, The Red Hot Chili Peppers, Chicago, and American Zen. Richard has been a record producer since 1974, and launched his own record company, Shaolin Records, in 1984. Richard produced all the albums of American Zen, which can found at iTunes, amazon.com, and most online stores. RDC composed, produced, and performed all the music on Buddha Zhen's album, **Tai Chi Magic 1**. This music has been an important part of all Tai Chi Youth performances and classes since 1995. The song, "*Tai Chi Magic 1*," was composed and recorded for the Tai Chi Youth Demo Team to perform the **Yang Style Tai Chi Short Form**. The music and the Tai Chi form synch together with one complete breath every 4 beats, or one measure of the music.

Tai Chi Youth must make earnest plans to replace Buddha Zhen, who is now 56 years old. Buddha Zhen will be at least 60 before he can be replaced as the TCY Patriarch, allowing only 3 years to train his successor. Although Tai Chi and Kung Fu can be practiced until a person is 80 years old, Buddha Zhen's jumping kicks and Kung Fu weapons may be less powerful as he ages past age 60.

Yesterday, November 22, 2010, Buddha Zhen completed a rewrite of the original **TCY Curriculum Guide of 1996**. This new TCY curriculum was written and designed for the online classes of Tai Chi Youth. Each week's lesson has been detailed with drills, lectures, bookwork, and self-defense skills associated with each week's lesson. These lessons teach one of the 16 sections of Tai Chi Short Form and are grouped into 4-month semesters. The following semester of each semester requires "graduating" the previous semester and contains new information from the previous semester. This belt testing was also renovated to reflect the revised curriculum.

Buddha Zhen also rewrote the TCY curriculum instructor requirements and defined at which belt rank levels a TCY student could teach specified levels of classes. This will create more instructors sooner, so that Tai Chi Youth can offer more classes online. Eventually, Tai Chi Youth will be a 24/7 Kung Fu school with online programs in various languages of various countries.

It takes two years for a student to be qualified to teach the first level classes of Tai Chi Youth. They are still not qualified or capable of teaching the entire 66 video series for another year or more. So, it will take 3 years to replace Buddha Zhen as an online instructor. It will take longer than that to replace the TCY Patriarch, who must be a Kung Fu and Tai Chi Master. A person graduating elementary school might be capable of teaching the first few grades, but not replacing his current grade teacher.

Buddha Zhen's wisdom and experience is a gold mine of resources that needs to be produced and released for the benefit of millions worldwide. The 66 Videos of *shaolinINTERACTIVE.com* will be the first step in preserving Buddha Zhen's Kung Fu and Tai Chi Chuan. Buddha Zhen's unique, effective, and friendly teaching style needs to be preserved for other teachers and masters to learn from.

Buddha Zhen's experience and resumes are included in the Appendix.

The day-to-day business of the entire Tai Chi Youth operation, will be managed by the TCY Program Director, working full-time in the TCY Home Office. The TCY Membership Director, will manage the students of TCY, from the TCY Home Office. These two will operate on staggered shifts during the first two years of operation, to increase our availability and provide support for our classes that Buddha Zhen will be teaching at various times between 10am to 10pm P.S.T. The TCY Program Director will work from 9am to 6pm. The TCY Membership Director will work from noon to 9pm.

This original Home Office will be the template of other TCY Online Schools worldwide. Eventually, we may have our own TCY Construction Company travelling the world to build these online schools. TCY franchises will be highly profitable and rewarding to all involved as each new language is added to our schools.

Professional and Advisory Support

TCY Board of Trustees

Richard Del Connor:	TCY Patriarch, TCY Publisher, TCY President
Jessica Isaacs:	TCY Treasurer
Shawn Whitson:	TCY Marketing Director
Barb Cipperly:	TCY Fundraising Agent

TCY Advisory Board

Richard Del Connor:

: _____
: _____
: _____
: _____
: _____
: _____

Larry Muepo:

: _____
: _____
: _____
: _____
: _____
: _____
: _____

Juan Soto:

TCY Committee Director
Glendale Board of Education
Glendale Police Department
Fundraiser
California Board of Health
California Justice Department
California Department of Corrections
County Parks & Recreation Department
California Alcohol & Drugs Programs
Substance Abuse Treatment Center
SCORE Representative
Movie Industry Representative
Music Industry Representative
Computer Games Representative
Glendale Chamber of Commerce
California Freemasons
School Teacher

Attorney:

Duane Light
8 Indian Rock Rd.
San Anselmo, CA 94960

Accountant:

Interviewing

Insurance Agent:

Matt Marsh
Allstate Insurance
4511 Denny Ave.
North Hollywood, CA 91062

Banking Agent:

Alen Hazarmalian
Wells Fargo Bank
2434 Honolulu Ave.
Montrose, CA 91020

Mentors and Consultants:

SCORE Representatives

VIII. Personal Financial Statement

Tai Chi Youth is a non-profit corporation, without any real owners. Richard Del Connor has kept Tai Chi Youth alive, sometimes barely, sometimes with all of his time and resources. From 1996 to 2001, Tai Chi Youth was the main focus of Richard's time and efforts. In 2001, Richard was bitten by a black widow spider and nearly died. It took two years to recover from the muscle damage, which included heart damage. In 2003, Richard began teaching classes for the YMCA. By the time he was teaching five classes per week, he had lost the 55 pounds he gained from two years of inactivity, and surprised everyone with his renewed stamina. Richard's amazed doctor informed him that he had also rebuilt his heart and there was no evidence of weakness or injury.

In 2007, Richard attempted to relaunch Tai Chi Youth with several students on the Board of Trustees. Unfortunately, when they moved away for college, Tai Chi Youth, had hardly begun and Richard was still paying all of Tai Chi Youth's bills. Unable to coordinate TCY with the YMCA fundraising, and lacking donors in a low-income area of Los Angeles, Tai Chi Youth was unable to launch any programs. To maintain visibility for Tai Chi Youth, the YMCA students were all enrolled as Tai Chi Youth students and carried TCY banners and flags in local parades.

When Richard resurfaced in Montrose, California, he launched his sole proprietorship, Buddha Kung Fu. Buddha Kung Fu and its new curriculum, 12 Step 12 Week Kung Fu Bootcamp, have been profitable and fun at Crescenta Valley Park. CV Park programs have grown to include, Buddha Tai Chi programs, and intermediate level Kung Fu classes. These programs may be converted to Tai Chi Youth programs, with all moneys going directly to Tai Chi Youth.

Richard Del Connor is the founder, TCY Patriarch, and creator of all Tai Chi Youth's, graphics, photography, curriculums, books, music, screenplays, choreography, lesson plans, teacher guides, and its sole teacher since 1996. During the 1990s, Richard began by submitting weekly time sheets, detailing job functions and hours worked exclusively for Tai Chi Youth at a pay rate of only \$25 per hour. This was deemed to be insufficient for the work performed and the pay rate was raised to \$50 per hour, which Richard submitted detailed time sheets for. However, Richard was not being reimbursed, and his wages have never been paid. The 1998 TCY Board of Trustees decided, after reviewing the wages of other non-profit organizations, that Richard should be paid an annual salary of \$77,000 per year as Executive Director, while still performing all his other Tai Chi Youth functions. This salary was only in place for a couple years before Richard quit his job as TCY Executive Director, so that Tai Chi Youth would not continue to develop a debt to him, despite his continued work for the organization.

With only a few reimbursements added since 2001, Richard's salaries and expenses have not been paid by Tai Chi Youth. The 2006 TCY Treasurer added interest to this debt for a couple years, but this has not been an annual accounting method, as Richard Del Connor patiently hopes to be paid his past due, without submitting current work invoices, as he continues to volunteer the work time that he desperately needs to be paid for.

Richard's dedication to Tai Chi Youth has been consistent since founding the organization in 1996. Richard created the TCY Website in 2001. Richard upgraded the TCY website in 2007, and 2009.

Richard has paid the storage fees for Tai Chi Youth's storage locker since 1996, and continues to also pay Tai Chi Youth's online charges, webhosting fees, and domain name costs. This has resulted in a broken marriage and the loss of his family.

In 2008, Richard announced that he was going to focus on his new sole-proprietorship, Buddha Kung Fu. The Crescenta Valley Park programs are under this business which the Los Angeles County Parks and Recreation have contracted him as a teacher. With Buddha Kung Fu running smoothly with its own manual created for this new school, the **Buddha Kung Fu Student Manual**, and websites in place, www.BuddhaKungFu.com, www.BuddhaGongfu.com, and www.BuddhaTaiChi.com, Richard is re-devoting himself to Tai Chi Youth to complete what he started 14 years ago, to create this nonprofit organization that will be his legacy of making the world a less violent place by improving the health and lives of people worldwide, beyond his lifetime.

Personal Financial Statement of Richard Del Connor: *see Appendix Figure-*

Leasehold Improvements		\$36,900
These can be kept low because Richard Del Connor is a master carpenter with 20 years experience as a journeyman carpenter of the United Brotherhood of Carpenters, and was a remodeling contractor from 1978 to 1988. With some low-cost helpers, Richard can perform most of the remodeling himself, saving contractor and labor costs. Most of this cost is materials. The TCY Home Office has a specific design, that our landlord will have to pre-approve, for us to build our TCY online studio. This design and blueprint for the TCY Online Studio will be used for building other TCY Online Studios worldwide. <i>see Appendix-</i>		
Equipment Purchases		\$41,430
Equipment will need to be installed and running smoothly to begin our operations.		
Furniture	11,000	
3 computer stations	14,000	
Fixtures, replicators, printers	3,300	
Video equipment	13,000	
Locations and Administration Expenses		\$52,040
It will take 3 to 6 months to remodel and be ready for business		
Rental x 6 months prepaid to lower our monthly rate		5,800
Legal Fees (attorney recommends this as a minimum)		5,240
Pre-opening salaries (3 months)		
TCY Patriarch 3 months		21,000
TCY Patriarch's Personal Secretary 3 months		9,000
TCY Program Director 1 month		4,000

TCY Membership Director <i>1 month</i>	3,000
TCY Fundraising Agent <i>2 months (4hrs-day)</i>	4,000

Opening Inventories \$8,500

Since we will be teaching classes during the first 6 months, we will have only a few inventory items to start with that have already been produced by Shaolin Records, Shaolin Communications, or Buddha Kung Fu. By the end of the first year we will have 66 videos to be sold online.

Uniforms, shirts, shoes, sashes...	3,000
CDs, DVDs	2,500
Notebooks, books, manuals	3,000

Advertising and Promotional Expenses \$4,390

A few advertisements will be easy to get started ourselves, before hiring our promotional firm. Perhaps we should hire our promotional company before our doors open. This expense is for a few key magazines that Buddha Zhen is already familiar with, and several 4' x 8' banners to hang at our Crescenta Valley Park location, and at our events.

Contingency \$18,000

Startup costs: _____
 First 3-months: _____
 Total Startup: _____
 10% = Contingency = _____

As soon as Buddha Zhen's salary is started, all class fees, tuitions, and uniform sales of Buddha Kung Fu will be diverted to Tai Chi Youth. Buddha Zhen's private lessons will also be TCY income. These incomes will supplement the contingency fee.

IX. Financial Plan

The financial plan of Tai Chi Youth is based upon 3 operations:

1. ONLINE student lessons.
2. Fees, uniforms, books, cds, and dvd lessons.
3. Students in our real Tai Chi Youth schools.

The quantities of students in our real Tai Chi Youth schools will be limited to the number of students we can fit in our class or enroll from the area around the school location.

The quantities of students online, will be limited by the number of instructors we have to teach these classes, the languages we can offer, and the limitations of how many students can be online simultaneously. This is where we can expand and enlarge the most, the easiest, and create around-the-clock classes, providing classes that are convenient and current, on a daily basis, worldwide. We will also pioneer new technologies and methods of accomplishing this.

The fees, uniforms, and DVD lessons are going to be purchased by all our real students in our real schools. These products will be purchased by our online students also.

The financial plan combines all these sales groups together. Adjustments can be made as new factors are introduced. As more online instructors are created in year three, sales can be added accordingly. As more school locations are added, sales will grow accordingly and some expenses will be added.

The future of online exercise, is the future of fitness in America. The projections of this financial plan are based upon logical, and reasonable growth—while ignoring the possibility of a “*fitness phenomenon*” that could exceed our largest expectations of this Tai Chi Youth business plan.

<i>See Appendix-</i>	TCY 12-month Profit and Loss Projection
<i>See Appendix-</i>	TCY 3-year Profit and Loss Projection
<i>See Appendix-</i>	TCY Cash Flow Projection
<i>See Appendix-</i>	TCY Projected Balance Sheet
<i>See Appendix-</i>	TCY Break Even Calculation

12-Month Profit and Loss Projection

See Appendix- **TCY 1-Yr Profit & Loss Projection**

This first year will be a startup year, with more than half the first year establishing our office and constructing our internet school.

The 2nd year will be developing and promoting the online school and programs.

The 3rd year will be the first year of a steady operation. It may be possible to begin a 24/7 internet school.

Four-Year Profit Projection (Optional)

See Appendix- **TCY 4-Yr Profit & Loss Projection**

Projected Cash Flow

See Appendix- **TCY Projected Cash Flow**

Opening Day Balance Sheet

See Appendix- **TCY Opening Day Balance Sheet**

Break-Even Analysis

A [break-even analysis](#) predicts the sales volume, at a given price, required to recover total costs. In other words, it's the sales level that is the dividing line between operating at a loss and operating at a profit.

Expressed as a formula, break-even is:

$$\text{Break-Even Sales} = \frac{\text{Fixed Costs}}{1 - \text{Variable Costs}}$$

(Where fixed costs are expressed in dollars, but variable costs are expressed as a percent of total sales.)

Assumptions:

- First 3-years of operation
- Only one year of steady operation
- One teacher, teaching one-half shift
- 4-year minimum lease
- Reasonable expectations for a reasonable product
- Not accounting for stardom of Buddha Zhen
- Not accounting for sales based upon fame of Buddha Zhen

X. Appendices

The following attachments are included or available upon request:

- Brochures and advertising materials
Several are included in the Appendix:
1994 Shaolin Chi Mantis
2010 Buddha Kung Fu
- Blueprints and plans
Studio layouts and designs available upon request
- Magazine and newspaper tear sheets:
Masters of Kung Fu Magazine, by Inside Kung Fu
12 Step 12 Week Kung Fu Bootcamp newspaper feature
- Detailed lists of equipment owned or to be purchased
Equipment lists available upon request
Some designs of Richard Connor are proprietary and confidential
- Copies of leases and contracts
To be added as acquired
- Letters of support from customers
Decker Lake Maximum Security Youth Prison
- Other materials and product samples
Shaolin Chi Mantis
Tai Chi Youth
Buddha Kung Fu
Crescenta Valley Parks & Recreation
YMCA
YWCA

XI. Refining the Plan

For Raising Capital For Donors and Grantors

- The following summaries are derived from this **TCY Business Plan**:
 - _____ funds needed short-term
 - _____ funds needed in two to five years
 - The first ½-year will be setting up the office and internet school.
 - The second ½-year will be establishing the curriculums and video preproduction.
 - The second year will be establishing internet lessons and production of videos for online sale. Other school materials must be created also. Advertising, promotion, and government grants will be obtained.
 - It will require three years to show a profit. After 3-years Tai Chi Youth will be capable of sustaining itself without donations or grants. The additional grants and funding will enable us to expand as necessary and be less reliant on our physical classes and donors.
 - Tai Chi Youth will be able to expand to a **24/7 teaching facility** to increase profit from our one location.
 - **Tai Chi Youth** will be a famous brand of internet exercise and youth development. Any donor or celebrity associated with us will gain goodwill and promotion for helping our nonprofit charity school.
 - **Tai Chi Youth is a 501(c)(3) nonprofit education organization.** This enterprise was founded by Richard Del Connor/Buddha Zhen to survive him and be easily franchise-able worldwide. As a public corporation, there are no owners. Tai Chi Youth is run by the TCY Board of Trustees. For a current list of TCY Officers, visit www.TaiChiYouth.org in the “corporate” section.
 - Projected Milestones of TCY:
 1. Establish TCY Office
 2. Train TCY Program Director
 3. Train TCY Membership Director
 4. Start TCY Online Classes
 5. Produce 66 Online Videos
 6. Produce Shaolin Kids Videos
 7. Produce Tai Chi Kids Videos
 8. Release TCY New Student Packet
 9. Release Tai Chi Beginner Book

10. Release **Tai Chi Intermediate** book
 11. Establish advertising presence in magazines and media
 12. Buddha Zhen television interviews local TV
 13. Buddha Zhen television interviews national TV
 14. Consistent relationship with government grants for youth
 15. Consistent relationship with private foundations/ donors
 16. Self-sufficient operation
- The **TCY Membership Director** will update and provide statistics on membership, students, and curriculum usage.
 - The **TCY Program Director** will update and provide statistics on grants, donations, tuitions, sales and expenses.
 - Donors, government representatives, and other interested and resource persons are encouraged to join the **TCY Advisory Committee**. This committee meets with the TCY Board of Trustees to supply us with more information, resources, and updated statistics.

For Type of Business

Manufacturing

- Planned production levels of TCY products will be based upon two factors:
 1. Online student registrations
 2. Unregistered internet customers
 Tai Chi Youth will maintain an inventory of several hundred, of each product.
- Anticipated levels of direct production costs and indirect (overhead) costs—how do these compare to industry averages (if available)?
 There are some internet schools doing similar operations. These are all profitable by keeping the overhead costs low, and selling these products over many years without modification. As Tai Chi Youth completes its production of core materials required of our programs, more time and effort can be spent marketing instead of producing.

Service Businesses

- Our service business is entirely dependent upon Buddha Zhen, our only instructor. Until the videos are produced, the books released, and the internet school is running smoothly, Buddha Zhen will be the primary asset of Tai Chi Youth.
- What are the key competitive factors in this industry?
 1. Cost Perhaps the most important. We will set pricing standards.
 - 2.. Look Bruce Lee was the marketing look of 1980s. The Shaolin Temple

has become world renown and the Chief Abbot was a television dance contest judge...so Americans now have the orange robed monk look in their minds.

3. Style Tai Chi Youth will be different as we strive to be Chinese authentic.

4. Availability Tai Chi Youth classes will be available at various times throughout the week, with Buddha Zhen working long shifts. Eventually, our online classes will be available, 24/7.

- Tai Chi Youth prices are industry standard, and competitive.
- Methods used to set prices include viewing other similar website schools, iTunes, amazon.com and our own \$xx.88 unique prices.
- System of production management will be designed and maintained by the TCY Program Director. The TCY Membership Director will be instrumental in preparing the online students for each ½-hour class. The TCY Patriarch will be able to take a 5-minute break and resume teaching without having to verify payments and get students ready to start class on-time each 30 minutes.
- Quality control procedures will be designed as we develop our online school. The software design will also make this more efficient.
- Labor productivity can be measured in several ways:
 1. Numbers of continuing students
 2. Numbers of students graduating certain levels
 3. Number of students that can be taught online by one instructor
- We will profit from teachers who are subcontractors of Tai Chi Youth. “*Satellite locations*” will enable TCY to have a presence in more communities with **TCY Assistant Instructors** teaching these classes, with no overhead for Tai Chi Youth. These assistant instructors will be paid \$25 per hour (one class). All fees and tuitions of the programs they teach will be the property of Tai Chi Youth.
- Credit, payment, collections policies, and procedures, are detailed in the **TCY Business Plan**. Most payments will be through **PayPal** online. The fees for processing these transactions is very low.
- Strategy for keeping the client base of Tai Chi Youth includes our graduation system which will provide students, anywhere in the world, with accomplishments they will be proud of. We hope that this “addiction to success,” will keep many students in our programs for many years.
- Another strategy for keeping the TCY client base is the convenience and privacy we offer. No school to drive to. Downloaded lessons can always be reviewed, studied, and participated with, as if in a real online class, whenever the student wants. Eventually, our future 24/7 availability, will create a market for the late-night or early-morning worker outers...

High Technology Companies

- Economic outlook for the industry of home computer exercise will exceed all my reasonable predictions, especially for the pioneers of this market, who will succeed easily in the lack of competition.
- We are still researching which technologies will be to our benefit most, by also considering availability worldwide, and ease of use. Some standards of products and software will be established. Quickbooks will be the accounting software of all TCY schools. Dreamweaver will be the webdesign software...
- Tai Chi Youth will BE the cutting edge of development in online and computer exercise programs. Developers will consult and utilize our programs to test, market and promote their products.
- Research and Development are completed in all curriculums and programs.
 - The TCY Online Studio must be built for us to operate live
 - Classes at Crescenta Valley Park will provide the videos to be sold online.
- Tai Chi Youth will:
 - Protect intellectual properties by not assuming any rights beyond master licenses, and manufacturing licenses.
 - Avoid technological obsolescence by designing and being consulted in the design of new interactive gaming and interactive sports and exercise products.
 - Locate and maintain grants from donors and government agencies to maintain, and expand our facilities.
 - Locate and maintain grants from donors and government agencies to provide scholarships to various schools and youths at risk programs.
 - Retain key personnel by providing adequate salaries PLUS medical benefits. The most important reward for working at Tai Chi Youth will be the knowledge and awareness of the many accomplishments and successes we created by improving the lives of our students.
"I'm like a parent watching a child take its first step. When I see my students regain that glimmer in their eye and that hope in their heart—it's worth more than money." Buddha Zhen in **KUNG FU MASTERS** magazine Feb. 1994.