

4 Market Analysis

4.1 Market Segmentation

The process of hazardous waste removal and disposal is a necessary cost within the nuclear power industry. While nuclear plants are the only energy industry which takes full responsibility for all their wastes, they still use manpower to handle and dispose of the byproducts. This offers a unique window of opportunity for HRS, Inc.'s services.

4.2 Industry Analysis

After fulfilling its agreement with the Grand Gulf plant, HRS, Inc. has decided to launch its second implementation at the Browns Ferry nuclear power plant. Currently the plant is the 5th largest electric plant in the nation and the 2nd largest nuclear plant. With two reactors operational and a third to resume operation in the near future, this plant offers great potential for a partnership between HRS and the plant's owner TVA. Once the Brown's Ferry solution is complete, there will be 15 other nuclear plants in the southeast to which we can market our products. From there, HRS, Inc. will expand regionally into other nuclear power market. Afterwards, HRS, Inc. will broaden the product field to include other waste removal services.

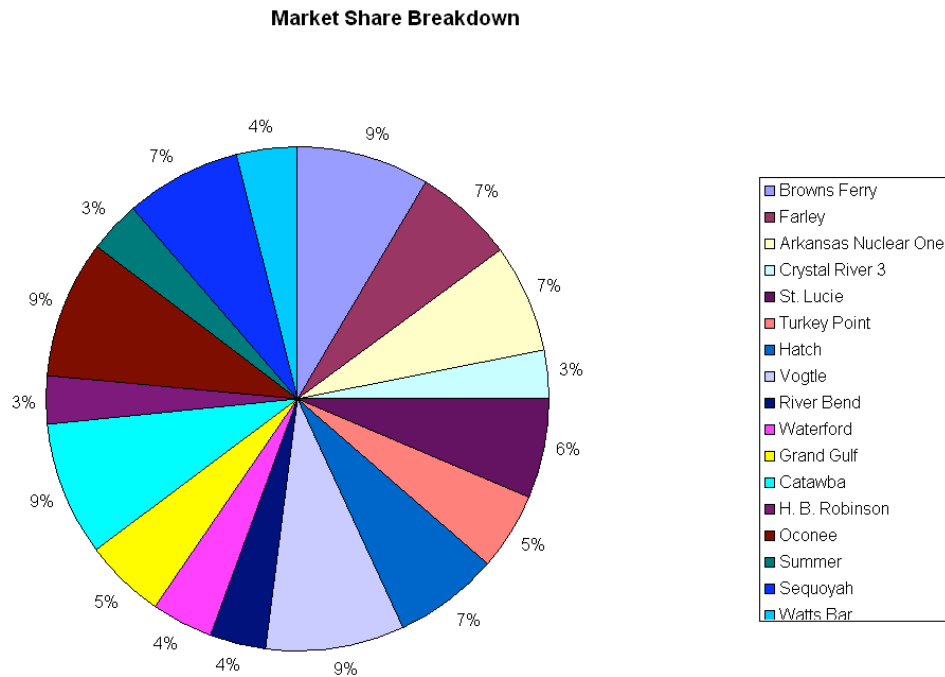


Figure 4.2a – 2007 Market Breakdown (Nuclear Plants)

4.3 Competitive Analysis

Currently, there will be no competition for HRS as all nuclear waste management is done on-site by physical labor. HRS offers a unique solution to reduce the threat to people while increasing the efficiency of the process. As HRS expands into other fields, there

will be some competition. Some of the companies include Resource Services, LLC, Waste Broker, and the Safety-Kleen Corporation. While many of these companies are well established, they still require people to handle the waste. HRS’s innovative system possesses a technological advantage in that robots handle the waste instead of people. This will allow HRS to easily expand into these markets until other companies develop similar technologies.

6 Management

6.1 Organizational Structure

A management team consisting of Rahul Bhakta, Sakinah Reid, Victor Alfaro, and Brandon Nichols will oversee the day to day operations of the company. Rahul will act as CEO and handle human resource issues while each of the other three will oversee different divisions of the company. Sakinah will be in charge of each implementation of an HRS solution at the client site. Victor will be in charge of the design of each custom implementation for HRS clients. Brandon will be in charge of the company finances and books, as well as Sales & Marketing. Each department head will be responsible for managing the resources and employees in their individual departments. The chain of command is depicted below in Figure 6.1.a.

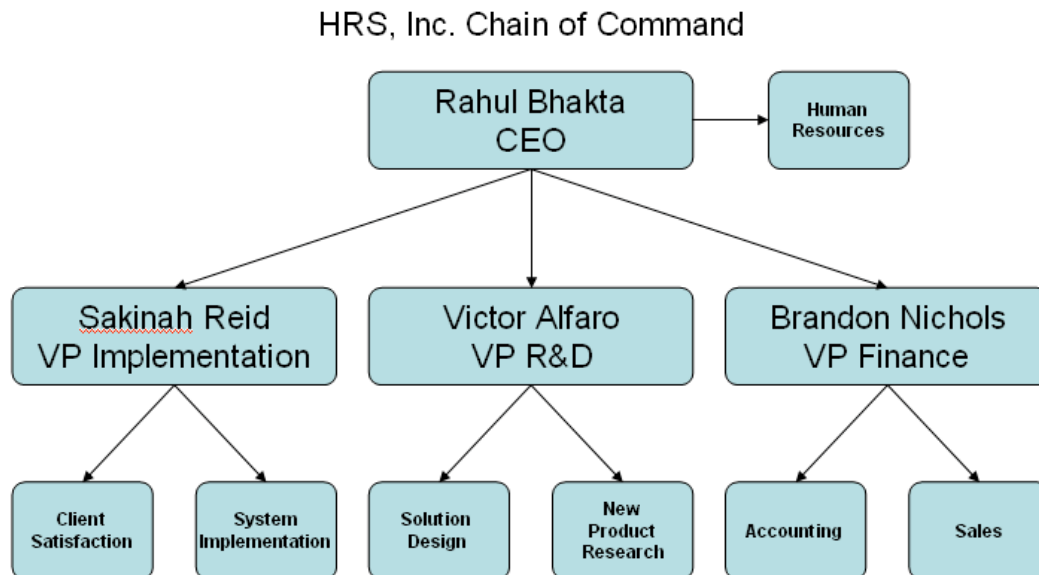


Figure 6.1.a – HRS Chain of Command

6.2 Management Summary

As CEO of HRS, Inc., Rahul’s responsibilities lie in ensuring the company turns a profit each quarter and ensuring that all divisions of the company operate smoothly and efficiently. Rahul is also the company representative to the public and government agencies. Rahul graduated from Mississippi State University in May 2006 with a BS in Computer Engineering.

Victor Alfaro is the Vice President of Research and Design. Once a client chooses to implement a HRS solution, Victor is in charge of designing a customized system for their application. Victor also manages a research team working on methods to improve current HRS technology and new technologies to expand HRS's service line. Victor graduated from Mississippi State University in May 2006 with a BS in Computer Engineering.

Sakinah Reid is employed as the Vice President of Production. Once a custom solution has been designed for a client, Sakinah is responsible for managing a crew to construct the system and train the client in its operation. Her responsibilities also include follow-up meetings with the client to ensure 100% satisfaction. Sakinah graduated from Mississippi State University in May 2006 with a BS in Electrical Engineering.

Brandon Nichols is the Vice President of Sales & Marketing/Finance. His responsibilities range from maintaining company financial records and paperwork to visiting potential clients to sell HRS solutions. Brandon is also in charge of maintaining the necessary licenses and filings with government agencies, such as the EPA. Brandon Nichols graduated from Mississippi State University in May 2006 with a BS in Electrical Engineering.

6.3 Departmental Management

HRS plans to employ highly qualified individuals for key management positions to ease the strain on the core management team. The departments that will have division managers are system implementation, solution design, new product research, accounting, and human resources.

6.4 Salary Distribution

The salary positions at HRS will be paid as depicted in table 6.4.a. The numbers listed are an approximation. Positive or negative feedback in quarterly employee evaluations can result in the expected salary to increase or decrease. Figure 6.4.b shows the salary percentage by division.

Personnel	Employees	Salary(2007)	Salary(2008)	Salary(2009)	Salary(2010)
CEO	1	\$100,000	\$110,000	\$115,000	\$120,000
Human Resources Total	1	\$45,000	\$45,000	\$50,000	\$50,000
Manager	1	\$45,000	\$45,000	\$50,000	\$50,000
Production Total	5	\$320,000	\$330,000	\$355,000	\$360,000
VP	1	\$100,000	\$110,000	\$115,000	\$120,000
Client Satisfaction	1	\$45,000	\$45,000	\$50,000	\$50,000
System Implementation	3	\$175,000	\$175,000	\$190,000	\$190,000
Manager	1	\$75,000	\$75,000	\$80,000	\$80,000
Engineers	2	\$50,000	\$50,000	\$55,000	\$55,000
R&D Total	7	\$460,000	\$470,000	\$505,000	\$510,000

VP	1	\$100,000	\$110,000	\$115,000	\$120,000
Solution Design	3	\$175,000	\$175,000	\$190,000	\$190,000
<i>Manager</i>	1	\$75,000	\$75,000	\$80,000	\$80,000
<i>Engineers</i>	2	\$50,000	\$50,000	\$55,000	\$55,000
R&D	3	\$185,000	\$185,000	\$200,000	\$200,000
<i>Manager</i>	1	\$75,000	\$75,000	\$80,000	\$80,000
<i>Engineers</i>	2	\$55,000	\$55,000	\$60,000	\$60,000
Finance Total	6	\$340,000	\$350,000	\$380,000	\$385,000
VP	1	\$100,000	\$110,000	\$115,000	\$120,000
Accounting	3	\$150,000	\$150,000	\$165,000	\$165,000
<i>Manager</i>	1	\$60,000	\$60,000	\$65,000	\$65,000
<i>CPA</i>	2	\$45,000	\$45,000	\$50,000	\$50,000
Sales	2	\$90,000	\$90,000	\$100,000	\$100,000
<i>Sales Team</i>	2	\$45,000	\$45,000	\$50,000	\$50,000
Total	20	\$1,265,000	\$1,305,000	\$1,405,000	\$1,420,000

Figure 6.4.a - HRS Payroll

Salary Distribution

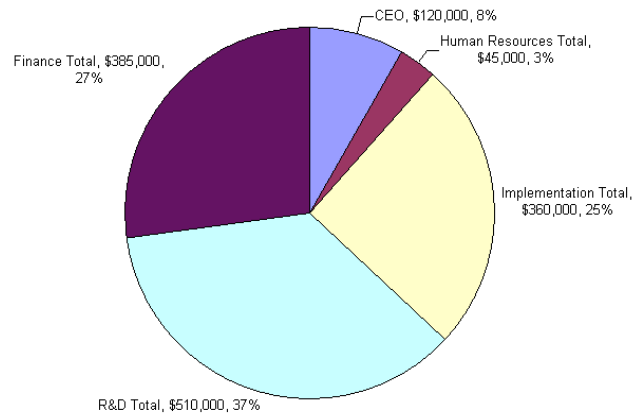


Figure 6.4.b – HRS Salary Distribution