

4 Market Analysis

4.1 Market Segmentation

Overnight package delivery is a very specialized field with few key players. The four biggest delivery service providers are FedEx, UPS, USPS, and DHL. Each of these companies still load airplanes by hand and would benefit from loading autonomously.

4.2 Industry Analysis

AutoLoad decided to start its expensive venture with FedEx because of their support of technological advances in the industry and their market share. FedEx currently owns 58 Boeing MD-11s while UPS currently owns only 21 MD-11s. The MD-11 is the most technologically advanced airplane in the current market. FedEx is also going to be part of the initial deployment of the new Airbus A308 which is going to be the most sophisticated airplane on the market. Also FedEx holds 62% of the current overnight delivery market. Because of the combination of the two, FedEx is the best option for AutoLoad's Business partner.

Table 4.2.a: Final Quarter 2005 Revenue

Company	FedEx	UPS	USPS	DHL	Other
Revenue(millions)	\$19,500	\$11,900	\$259	\$51	\$10

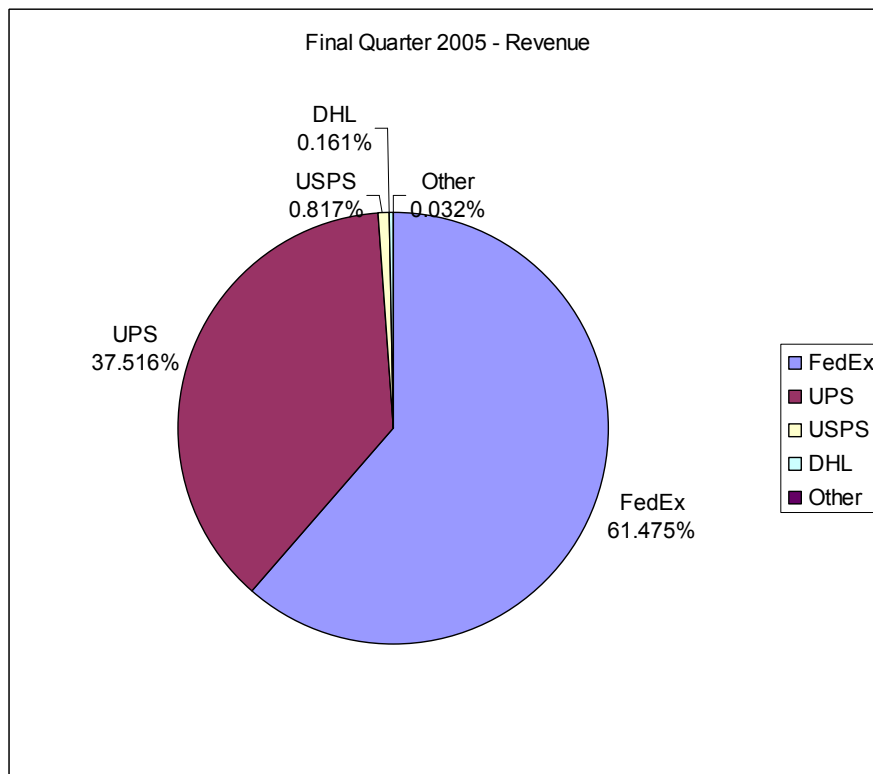


Figure 4.2.a: Final Quarter 2005 – Revenue

Table 4.2.a was compiled from data from the carriers' websites and annual reports. Figure 4.2.a describes the relation of their revenues to each other and comes up with an approximation of their market shares. High revenue does not always equate to high market share but it is a good tool for comparison.

4.3 Competitive Comparison

The current market of loading airplanes does not have any competition because of its technical complexity, but once AutoLoad moves into the automated warehouse market then there will be lots of competition. The three largest companies that automate warehouses are Avery and Associates, AGV products, and ProcessPro. Each of these companies has established business models, customers, proven technology, and warehouse management expertise. Where each one of these companies lacks is in their technology. Their automation techniques are out of date and the robots they use to perform the complicated tasks have limited customization. Also these companies only manage warehouses and do not automatically load outgoing transportation mediums. They also do not have experience with large good such as cars, furniture, or televisions. AutoLoad's advantage over these established companies is that the company would be able to transport the heaviest of goods with ease after loading airplanes with the cans. Also AutoLoad will have the ability to gather / load trucks, trains, or airplanes with incoming / outgoing goods. Also AutoLoad will use the most current technological advances to accomplish the task to increase productivity.

6 Management

6.1 Organizational Structure

The top level management positions are filled by the four owners of the company. Each of the four owners has the same amount of power even though they may be working for one another. Each owner has his or her own tasks, responsibilities, and employees to manage. The hierarchy is in place to show which individual is responsible for checking the progress of another department. It also shows the chain of command, but does not represent power levels. Figure 6.1.a shows AutoLoad's hierarchy.

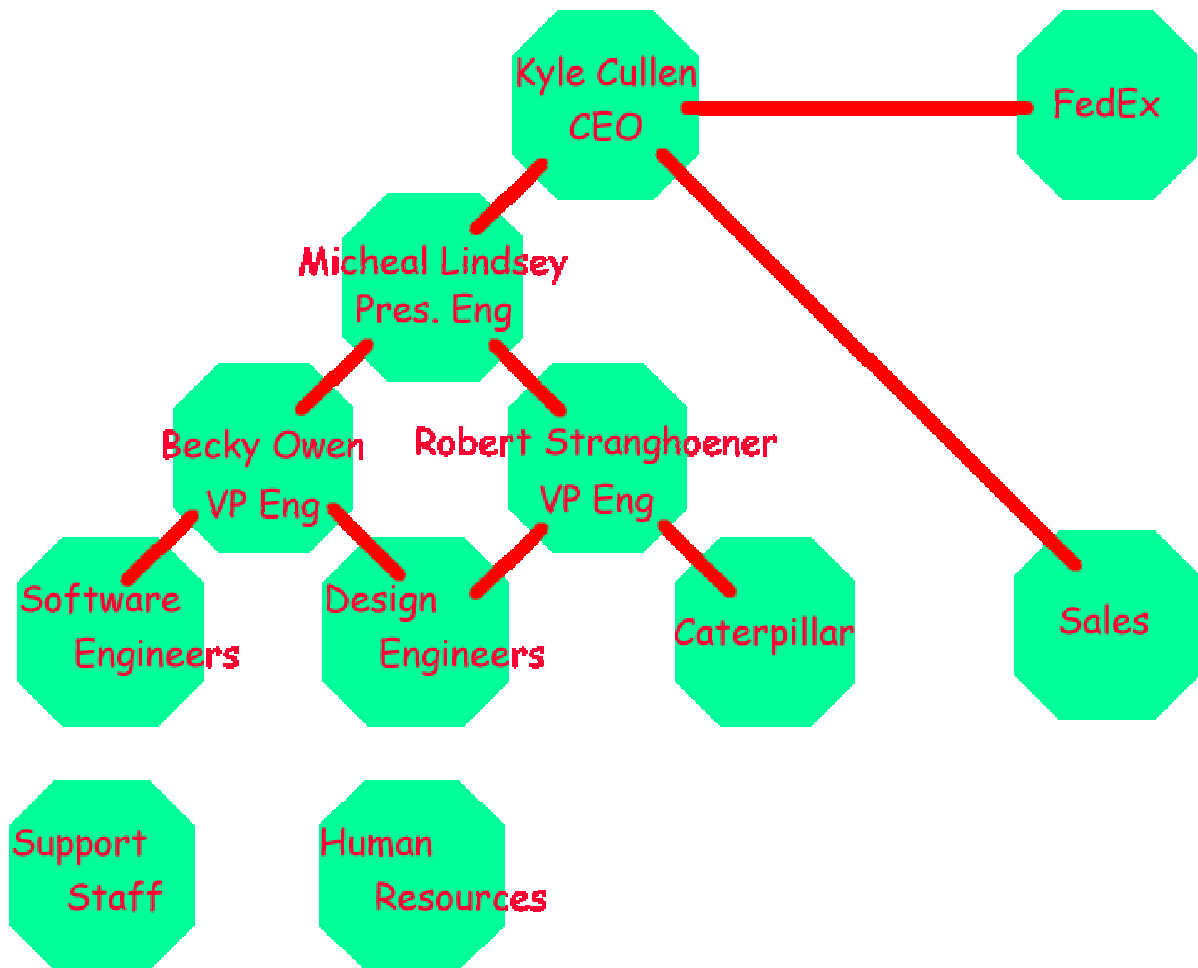


Figure 6.1.a: Organizational Structure

6.2 Management Team

Kyle Cullen – CEO

Kyle is in charge of overseeing the company at its highest level. He must make sure that the company is performing its designated tasks and turning a profit. He is also the face of the company and attends meetings with investors, customers, and new vendors. Kyle is also in charge outside sales and finding new customers. The sales team will work with Kyle to get new projects.

Kyle graduated from Mississippi State University in 2006 with a BS in Computer Engineering. He concentrated on Robotics and Embedded Systems development.

Michael Lindsey - President of Engineering

Michael is charged with keeping Autoload's engineers tasked correctly. He oversees project delegation and budgeting.

Michael graduated from Mississippi State University in 2006 with a BS in Computer Engineering and is currently working towards a MS in low level software system design from UAH.

Robert Stranghoener – VP of Engineering – Mechanical

Robert will head mechanical development and communication with Caterpillar. He will develop CAD models of all robot mechanics and oversee the fabrication and assembly of mechanical components by Caterpillar. His responsibilities also include working with the assembly team and Rebecca Owen to ensure efficient integration of all mechanical and electrical components.

Robert graduated with a B.S. in Electrical Engineering from Mississippi State University in 2006 after taking courses in control systems and robotics. He is also experienced with the CAD tools needed for mechanical design.

Rebecca Owen – Vice President of Engineering in charge of Software

Rebecca is in charge of development and implementation of the control software necessary for precise and efficient movement of the robots. Rebecca works with a small group of engineers to develop robots capable of autonomously transporting cargo from a warehouse to a transportation medium. Responsibilities include interfacing with hardware such as scanners for package identification; developing algorithms for accurate locomotion and navigation; constructing code for precise position control of the mechanisms involved in loading and unloading cargo; and overall optimization of code.

Rebecca graduated from Mississippi State University in 2006 with a Bachelor of Science in Electrical Engineering and Minors in Mathematics and Computer Science. Her emphases were Robotics and Control Systems.

6.4 Management Team Gaps

Most of AutoLoad's management will come from the four initial owners. The rest of the 16 employees are computer engineers, mechanical engineers, team leaders in both areas, sales team, field engineers for assembly and modification, and support staff such as secretaries and custodial technicians. These individuals will be salaried employees of AutoLoad INC.

6.5 Personnel Plan

Table 6.5.a shows the salaries of each type of employee for the first five years; the first three years are steady due to the lack of positive cash flow. Once the company turns a profit then it will give each employee a review of his or her performance to determine their raise.

Table 6.5.a: Personnel Income

Personnel	Initial # Employed	2007	2008	2009	2010	2011
CEO	1	\$110,000	\$110,000	\$110,000	\$120,000	\$150,000
VPs	3	\$110,000	\$110,000	\$110,000	\$120,000	\$150,000
Team Leaders	2	\$70,000	\$70,000	\$70,000	\$78,000	\$90,000
Comp Eng	5	\$55,000	\$55,000	\$55,000	\$65,000	\$75,000
Mech Eng	5	\$55,000	\$55,000	\$55,000	\$65,000	\$75,000
Sales Rep	2	\$50,000	\$50,000	\$50,000	\$55,000	\$65,000
Secretaries	2	\$35,000	\$35,000	\$35,000	\$40,000	\$42,000
Total # of Employees		20	20	25	30	50