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Gerald Garcia's Dream For AIMS Worldwide (AMWW.OB)

Spectacular 2010 expected by the Hispanic legend CEO for AIMS Worldwide, poised to profit from the explosive growth of campaign spending.

Years ago at *Forbes* I was interviewing for a story on Chock Full O' Nuts when I was introduced to their brand new vice president, Jackie Robinson, who pioneered integration of baseball. He was the only black man I ever met who blushed when kind words were said about him. Now with pleasure I introduce my readers to an Hispanic pioneer in my own field of journalism in the story which follows.

How many of you are in a Hall of Fame? How many of you are a role model for the younger generation? How many of you have a company that is poised to grow "phenomenally" next year, no matter which way the economy goes?

Gerald Garcia Jr., who in 2004 was inducted into the National Association of Hispanic Journalists Hall of Fame, can answer those questions in the affirmative.

A proven media moneymaker, Garcia has many more coups. In 1983 he was elected as the first president of the National Association of Hispanic Journalists whose influence and tiny five-person core membership expanded geometrically, with over 4,500 members 20 years later. A sort of Jackie Robinson role model for Hispanics in publishing, Garcia was the first Hispanic editor of a general circulation newspaper at the then Capital Cities-owned *Kansas City Star* (1976) and later was the first Hispanic publisher of a general circulation newspaper, the *Tucson Citizen*. At Gannett Co., this veteran journalist and publishing executive was a regional vice president and served on the launch team for *USA TODAY*.

Today's younger generation readers and investors just want the skinny. Here it is. 2010 could be spectacular for CEO Garcia's **AIMS Worldwide (AMWW.OB-0.15)**, down 77% from its 12 month high of \$0.65. Revenues, which were just \$2.4 million in 2007, \$13.9 million in 2008 and satisfactory for 2009, could easily soar over \$30 million to \$85 million next year.

That is because AIMS' IKON Public Affairs subsidiary arm for managing political campaigns booms every second year. It has already landed the Republican campaign for the 7th Congressional District in PA where over \$4 million will flow from buying everything from bumper stickers, buttons and posters to expensive media time. AIMS is also in the running for two hotly contested Senatorial races in Nevada and PA, which combined could spend another \$40 million to \$60 million. Further, it is serving several key GOP strategic and likely gubernatorial candidate nominees. IKON has lobbying advocacy assignments for particular issues, including representing Autism Speaks to make Congress and others aware that Autism is a disease, not a condition.

"Truly, our operation is not red or blue," says Garcia. "It is green for making money by creative, winning election campaigns through accurate integrated marketing solutions. We are absolutely apolitical; what we care about is winning every race or advocacy engagement or appropriation for our clients. It is all about achieving our clients' AIMS."

In this declining economy, one thing soaring beyond all records is government and political campaign spending. And all the spending of each campaign AIMS manages with its marketing consultancy will flow through AMWW. Revenues from this alone could easily be in the \$30 million to \$85 million range and pre-tax profits should be in the 8% to 10% range. That's \$3 million to \$8.5 million!

Currently, with 52.3 million shares outstanding, AIMS plans to sell more later in the year to raise growth capital to expand current operations and make new key acquisitions. Garcia believes this integrated marketing communications consultancy with focused One-2-One marketing solutions could be expected to become - over five to ten years - a marketing giant with anticipated revenues of over \$750 million and a stock market cap of over \$1 billion.

That is the sound bite version of the AIMS effort in less than 340 words.

For our thin red line of senior readers who still like more depth in their company stories and details behind the sound bites, let us go a bit deeper.

As a regional vice president and part of Gannett's Newspaper Operating Committee preparing for the launch of *USA TODAY*, Garcia had his epiphany. This moment of truth was to change the direction of the rest of his business career. Researching mass media trends, he became disturbed by a negative trajectory, which since then has only accelerated.

"Mass media as we knew and understood it was going to be difficult to continue as a rising platform business model," discovered Garcia. "On our Newspaper Operating Committee, I brought up this subject many times. Mass marketing was no longer our wave of the future. We were not going to ride it continuously. There were far too many technological innovations disintermediating and changing the convergence of timely information. It was disturbing to me that we continued to charge more and more for delivering less and less. My concerns largely fell on deaf ears."

Since then, with digitalization of communications and dramatic advances in technology, consumers everywhere are even more empowered. They don't have to take just what is sent to them. Information users determine what messages they are going to receive, how and over what channels they will receive them. Your smart phone gives you power over what you want or don't want. You answer. You use it. You shut it off. Cable TV tried to get control with a much broader set of choices based on affinity groups or interests. But remotes and DVR technology gave consumers the option to switch channels and record favorite programming, with the result that many rarely see an unwanted advertisement. Suddenly, the viewer - not the broadcaster - is empowered.

Apple's iPhone is a pioneer of how much variety can flow through a handheld device. Coming in the future will be amazing super consoles that will become part of tomorrow's evolving consumer behavior. You will have the power to dictate what you get. Your console will arrange your daily schedule, travel plans and even give you local directions. If you make purchases, you can pay by credit or debit card online. When you travel past certain stores, shows or stadiums that would be of interest to you, you will get a digital message that there are special deals or available seats. You are empowered because you can accept a message or reject it. The pitches will come from those who have identified you, based upon information available, as an ideal customer for their products or services.

Ideal? How did you become an ideal customer? Simple. "Once someone responds to a targeted marketing message with a name and address, an organization owns and adds to that information, and subsequently the relationship is not just for the original product, but for many others," says Garcia.

Into this challenging environment Garcia and his team lead a new enterprise, Fairfax, VA-based AIMS Worldwide, Inc., whose initials mean Accurate Integrated Marketing Solutions. Its founders put together its core back in 1996 by creating an earlier AIMS LLC.

While changing technology is still creating the world Garcia visualized, he and his co-founders have been working to put together a unique company to turn marketing upside down. In contrast to mass media blasts to huge audiences - like flashing 30 seconds during the Super Bowl - AIMS' business model is to consult with clients and put together packages that define the ideal customer and how to correspond with a targeted marketing message on a One-2-One basis at the lowest possible cost for the client, while also improving sales. Further, AIMS has specialized units aimed at niche markets that will grow on their own and whose expanding customer bases also will use the AIMS consultancy or some of the other units. This is the vision.

No one else is in this space, which AIMS Worldwide estimates, and the Economist researchers validated, at over \$1 trillion. AIMS' challenge is how to reengineer marketing in the digital marketing age to generate profits.

AIMS' unique niche bridges today's huge advertising holding companies and internet services companies like Google and Yahoo. The company's rough acquisition guidelines focus 65% on marketing-related digital technology and 35% on legacy marketing consulting firms with established client relationships doing profitable business.

Now, 65, Garcia's entrepreneurial role coincides with the worst financial and economic collapse since the Great Depression. What is now being dubbed the Great Recession also accompanies a crisis for the print publishing industry as avid newspaper and magazine readers are being replaced by generations who get their news online, free if possible, and who view advertising as a nuisance. Treasured famous names of the past like *Reader's Digest* and the *Christian Science Monitor* are in serious trouble or even closing as print readership and advertising shrink, not just in the U.S. but everywhere on the globe. Internet publishers, intent on replacing the old order, also are having difficulty making profits. As the fearful public - often worried about losing their jobs and rising healthcare costs - holds on to its money, companies also are forced to cut back and are less ready to spend.

In 2002, AIMS went public by reverse merger - backing into a tiny fully-reporting shell. Garcia needed liquidity to make acquisitions for cash and stock and understood that every new potential stockholder wants liquidity. Still, 90% of AIMS' 52.3 million shares are closely held. Among its early angel investors are the estate of the Nobel laureate economist Milton Friedman and broadcast icon Art Linkletter, still alive, well and active at 97.

Until more shares are freed from their restrictions, the current float is about 5 million. Average three-months trading is under 7,300 shares daily and on some days trading can be zero. "We expect that to change," predicts Garcia, who plans to commence AIMS first formal investor relations campaign ever. With a recent price as low as \$0.10, the stock has ranged from \$0.08 to \$0.65 over the last 12 months. The price of the stock at year-end will be of vital concern for existing shareholders. It will determine future dilution as their company issues new shares to raise growth capital or complete acquisitions in the balance of the 2009 and into 2010 pipeline.

In July, CEO Garcia added chairman to his CEO title, while director Thomas W. Cady, 54, became the new president and COO. Cady, a veteran of IBM, Xerox and several information technology start-ups, will focus on operations, improving efficiency, assimilation, cross-core competency company platform leverage, quality and growth.

AIMS' new investment banker, corporate finance, M&A and underwriter advisor, Maxim Group (wwwmaximgroup.com), is giving guidance on strategic moves to make in anticipation of possible new financing before year end. First, key acquisitions in digital marketing, branding, graphics and public relations are in the pipeline to be acquired if the new capital comes in. Hopefully, these acquisitions will grow and refer cross-platform clients to the parent or other units when specific needs arise. Then in a financing of what would amount to an IPO coming-out party toward the end of the year, these acquired prizes will be combined with new investment in the existing base and AIMS will be ready to blast off in 2010.

While others see doom in the evolving disdain for print media, Garcia has a strategy to grow and prosper from the inevitable change. With a new base unencumbered by past commitments and with new thinking, he sees an opportunity to build the marketing solutions company of today and tomorrow - based on science.

Monetizing digital businesses isn't easy. Garcia sees this as an opportunity to consult with currently struggling firms on how to reduce costs and increase revenues. His mantra is the new digital era permits One-2-One marketing, even when you are reaching millions. The idea is to grow and make acquisitions, which already have clients. Hopefully, these acquisitions will grow and refer clients to other units under the parent.

In any one quarter, AIMS as a whole has 300 to 400 clients. Let us look at some of the key parts, all organized to give unique cost-effective, customized end-to-end marketing solutions on a One-2-One relationship basis.

AIMS Solutions, the primary core business, is the consulting practice of AIMS Worldwide and focuses on the use and application of the AIMS Return on Marketing Investment (ROMI) scientific process to provide marketing research, analysis and reports from which to initiate strategies, plans, measurement tools and manage Accurate Integrated Marketing Solutions for its clients.

"It took five years to develop processes from which we have the ability to take any client, any brand, any service and design One-2-One solutions for the ideal buyer, be they consumers, households, business-to-business, non-profits, political campaigns, etc.," says chairman emeritus and chief strategist B. Joseph Vincent.

"We identify for any client their ideal buyer profile by investing in the highest message penetration at the lowest possible cost. It is very scientific and results are measurable. So there is ongoing accountability. This is the exact opposite of the old advertising saying that goes, 'I know half of my advertising doesn't work, I just don't know which half.' " Answering that previously unanswerable question is how AIMS plans to reorganize and turn marketing upside down in the digital age.

AIMS Interactive, the company's marketing data software solutions subsidiary, delivers real-time interactive marketing solutions using leading data, analytics and software as a service solutions to optimize digital marketing and lead conversion programs. It helps analyze for clients what works and what is the return on each marketing investment.

IKON Public Affairs Group LLC, as previously discussed, offers the best and latest information and ideas from around the U.S concerning candidates, public issues, public policy, legislation and state and local ballot measures. Based in Washington, D.C., IKON takes a fresh, creative AIMS approach to providing government relations services, organizational advocacy, media services and creative strategies to campaigns and advocacy groups.

With a core competency in lobbying and political campaigns, this base alone could be grown into a large company. While there is an in-between, off-year dip in revenues to accompany the huge surge in sales every two years, Garcia has a plan to fill in and normalize the gaps.

There is no nationwide company offering lobbying and marketing. Every two years means a Big Year. If IKON had a franchise system in all 50 state capitols, it would have the capacity for an exchange of ideas, work, engagements and revenues. This is an enterprise that is truly green, green for serving the evergreen U.S. dollar. It deals with all parties and all causes to carry messages effectively or to run election campaigns.

"We anticipate having a phenomenal 2010," says Garcia. "We already have a contract for the 7th Congressional District in PA," says Garcia. "We were recently engaged to consult about a possible senatorial campaign in NV, are under consideration for the PA senatorial campaign and other exciting national contests."

Here is a sleeper play on the growth-of-government campaign spending. As candidates ramp up for mid-term elections in 2010, campaign spending should set a new record of over \$1 billion, up from \$740 million two years earlier. Even considering the off-year slumps, spending should increase at a 35% annual growth rate. Many individual campaigns are estimated to be in the \$10 million to \$30 million range.

StreetFighter Marketing, Inc. is a smallish, half-million in revenues company with a core competency in community marketing. It helps clients market, promote and increase sales on a shoe-string budget. The mission over the next five years is to establish a franchise and home-based marketing consultancy business model network in 600 exclusive local area markets. The model is that each small, operating-out-of-the-home franchisee would generate net proceeds of \$125,000 in the first year and almost double that by year three. As franchisee local clients become bigger, they would be handed off to AIMS; thus, the StreetFighter network would become a grassroots feeder system for the AIMS parent and its other units.

The AIMS Target America subsidiary provides digital database profile management and digital marketing consultation services. It maintains a completely online prospect screening search service, which has expanded into a full range of not-for-profit and commercial applications to help identify ideal prospects for giving, pledging, gifting and donating. Its database contains 7.2 million records of the top 5% of America's wealthiest people. Individual profiles include schools attended, foundations, clubs, and charities they contribute to and when they sell public stock. So in a capital fundraising campaign, AIMS can provide information that may result in a client asking a particular donor not for the usual \$500 donation, but for much more. AIMS charges its clients, mostly non-profit organizations seeking donations, in one of two ways: time and effort charges or on a percentage of success basis. In 2008, this activity produced \$1.4 million in revenues and \$200,000 in net income.

AIMS and Target America have a still-in-development digital product called MYRA - My Research Assistant - based on Target America proprietary search matrix technology. MYRA offers "thoughtful search" to clients in publishing and service businesses, enabling them to create and sustain One-2-One relationships with their own clients and users. Look for AIMS to take advantage of the ongoing metamorphosis of digital technology to create a variety of new and creative products and applications for clients.

Bill Main & Associates is a brand marketing, management and strategic growth consultancy, specializing in the restaurant, food service and hospitality retail industry. AIMS' most recent acquisition, BrandStand Group Inc., is a brand marketing consultancy and customer-generating service to the food industry and local and national restaurants, including Burger King. The BrandStand Group and Bill Main & Associates are serving as a core competency foundation to establish, build and develop a strong neighborhood or community marketing major business unit within AIMS.

With the optimism necessary for every successful entrepreneur, Gerald Garcia plans to turn marketing upside by growing his consultancy base and making new, growing and profitable acquisitions that will refer clients or get new ones from the parent or other units. These are perilous uncertain times when flight from risk has made it hard for new enterprises to raise growth capital. However, many others in the past stood in similar shoes and created great companies. Ground floor investors now have a chance to decide if Gerald Garcia and his AIMS Worldwide will join them? I wouldn't bet against a Hall of Famer. -

Bob Flaherty



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