

Fall 2002

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Channel Ace

A Newsletter for Harmonic Vision's Channel Partners

Letter From the President

Welcome to Channel Ace, our newsletter specifically for the channel partners of Harmonic Vision. We appreciate the support and effort all of you have given us, and, because of that, Music Ace is recognized as the premier music education software for the K-8 student.

Channel Ace is one way for us to keep you up to date on developments at Harmonic Vision and with Music Ace.

As many of you know, Joel May and I founded Harmonic Vision in 1991. Over the past several

years the company has experienced its share of ups and downs. Last October, Joel and I rejoined the firm and have been working very hard to make Harmonic Vision the company that we envisioned from the beginning.

We've made substantial strides during the past year. Harmonic Vision has returned to profitability; we have reestablished our headquarters in downtown Chicago; and most importantly, we have refocused our company on music education

software for students – young and old. In addition, we have analyzed our sales processes and channels and recommitted the company to working with and through our channel partners.

Our channel partners are essential to our future, and we believe that by working closely with our partners, we can all benefit. Beginning early this year we, we began passing along to our partners all of the sales leads resulting from inquiries we receive through our customer support system.

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Music Ace Series Upgrade Addresses New Technology and Multi-Seat Academic Environments

A new release of the Music Ace Series is slated for November. This is a major release aimed at increasing the usability of the Music Ace series in multi-seat and managed network environments.

There will be no change to any channel or end-user pricing, and the ordering SKUs remain the same.

The new release of the Music Ace Series addresses many issues

that are unique to the multi-seat environments that are common in many schools, especially those supporting computer-based curriculum.

Key new support and performance enhancements to the Music Ace Series include:

- Eliminate need for CD-ROM to be loaded in Lab Pack configurations
- Macintosh Manager Support for networks

- Use of MP3 compression to enhance network performance
- MAC OS 9 Multiple User Support
- Full Windows XP Support
- Full MAC OS X support
- External MIDI device support for Windows XP and MAC OS X
- QuickTime 5.0
- Export MIDI files from Music Doodle Pad
- Enhanced printer support.



Fall Direct Marketing Programs

As part of our renewed efforts to increase awareness of Music Ace and to help make it easier for you to sell more products, we will be undertaking some targeted direct marketing this fall.

The direct-mail campaign will be aimed at music department heads and music curriculum directors across the country. We have acquired a very current list of more than 2,900 names, positions, schools and addresses for use in this campaign and will be sending each of them a letter, a Music Ace datasheet and bounce-back card. The call to action is to either (a) visit a special page on our website to download a demo or buy a single user consumer version at a small discount, or (b) return the bounce-back to

receive a demo CD-ROM or request information about multi-seat academic versions. Requests for multi-seat quotes will be forwarded along to our resellers.

To maximize the open rate on the mailing, we have printed print names/addresses directly on the envelopes, as opposed to affixing labels. Additionally, we have used an actual postage stamp as opposed to a bulk mail permit or postage meter.

The second prong of our Fall Direct Marketing campaign is designed to shake loose any sales from those folks who have already downloaded a demo from our website. This is an email campaign to over 4,000 potential customers who have

recently downloaded a demo. The email will offer the same purchase incentive as the direct mail campaign.

Any consumer version purchases will be filled directly by Digital River, and we will turn those customers' contact information over to the appropriate channel partner. We will track response by pointing the recipients to a special website and by tabulating any bounce-back cards that are returned. Of course, all bounce-back requests for multi-seat quotes will be forwarded along to our resellers.

We are optimistic that these direct marketing programs will be effective in raising awareness of Music Ace with key decision makers in the schools.

"We will be mailing to more than 2,900 music department heads and music curriculum directors across the country."

Music Ace Starter – A New Entry Point



We are now shipping "Music Ace Starter" to channel partners. Music Ace Starter is a new entry point for in the Music Ace Series and is designed to introduce beginning music students to the basics of rhythm, pitch, listening and the keyboard.

It comes on a hybrid CD-ROM that runs both Windows and Macintosh. List price is \$29.95.

Designed by music educators, *Music Ace Starter* contains 12 carefully selected lessons from Music Ace and Music Ace 2 to teach music basics.

This program will challenge, engage and motivate music students and help them succeed by mastering important music concepts and skills. It also accelerates learning

music fundamentals and develops and reinforces essential aspects of learning music.

This is an exceptional value. It offers an affordable combination of lessons, games and composition features. An excellent motivational tool, it excites students about learning music.

To order Music Ace Starter, call Nick at Harmonic Vision.

HV Sponsors Email Newsletter – Reach 30K/Week

We are pleased to announce that since July of 2002, we have been the exclusive sponsors of DCI.now, the email newsletter for Drum Corps International.

Drum Corps International is the governing body for the worldwide competitive drums and bugle corps activity; a youth based activity that encompasses ages 8 through 22. DCI.now was launched in the summer of 2002 and reaches approximately 30,000 people per issue.

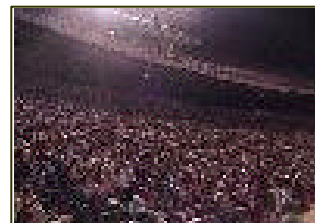
“This was a unique sponsorship opportunity that allowed us to increase awareness of Music Ace

with a substantial number of adults and young people interested in music education,” said Phil Rockenbach, President of Harmonic Vision. “The results thus far have been very encouraging, with our website traffic increasing nearly 50% within 24 hours of each issue of DCI.now.”

The competitive drum corps season starts in June and culminates with a championship in August. DCI.now is published bi-monthly during the off-season, weekly during the season, and daily during the week of the championship. In sponsoring DCI.now,

Harmonic Vision joins a roster of sponsors of Drum Corps International that includes Yamaha Corporation, Sibelius Software, Bands of America, and UMI - a division of Steinway.

“We are very grateful for the support that Harmonic Vision is giving us,” said Dan Acheson, Executive Director of Drum Corps International. “Reaching young people and exposing them to music is a key aspect of what we do, and this is a way for Harmonic Vision and Drum Corps International to work together to promote the growth of music education.”



More Than 26,000 Attended DCI's Championships In August.

Winter and Spring Tradeshow Schedule

Dates	Show	Location
Dec. 17-21, '02	Midwest Band & Orchestra	Chicago, IL
Jan. 08-11, '03	Florida MEA	Tampa, FL
Jan. 16-19, '03	NAMM	Anaheim, CA
Jan. 22-25, '03	Ohio MEA	Cleveland, OH
Jan. 29-Feb. 1, '03	Illinois MEA	Peoria, IL
Feb. 4-6, '03	FETC	Orlando, FL
Feb. 12-15, '03	Texas MEA	San Antonio, TX
Feb. 13-15, '03	Minnesota MEA	Minneapolis, MN
Mar. 7-9, '03	MENC	Providence, RI
Mar. 13-15 '03	California MEA	Pasadena, CA
Mar. 15-19 '03	MTNA National	Salt Lake City, UT

“We’re committed to helping our channel partners make the most of special events and trade shows.”

Nick Argyrakis

Harmonic Vision

68 E. Wacker Place
Eighth Floor
Chicago, IL 60601

PHONE:
(312) 224-2923

FAX:
(312) 726-1946

E-MAIL:
sales@harmonicvision.com

www.harmonicvision.com

Letter From the President

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Our commitment to the sales channel will be increasing over the next couple of months as we complete some new product demonstration technology, a new release of the Music Ace Series optimized for multi-seat academic environments and launch Music Ace Starter, a new entry point for the Music Ace Series.

We remain committed to our channel partners and will be improving all aspects of our company operations in general, and our channel partner program in particular.

Thank you again for your continued support and remember – we're here for you. Let us know if you need any help.



Phil Rockenbach
President & Co-Founder

Harmonic Vision's Mission

Our mission is to apply computer technology to significantly enhance the effectiveness of music education in the home, the school and the studio. By creating engaging and

effective music education software that is affordable and widely available, Harmonic Vision hopes to increase the number of individuals who enrich their lives by developing a

basic ability to understand, appreciate and perform music.

HARMONIC VISION

68 E. Wacker Place
Eighth Floor
Chicago, IL 60601