

**Business Plan**

**September 2013**

Table of Contents

Executive Summary 3

Vision 5

The Social Media Vision 5

The Trufflenet™ Vision 5

Market 6

The Trufflenet™ Opportunity 6

Positioning 6

Social Media 6

The Research Market 6

Emerging Markets and Non English Language Commentary 7

Competition 8

Trufflenet™ Compared to Automated Services 8

Trufflenet™ compared to Traditional Research Methodologies 9

Competitive Analysis 10

Repindex™ 10

Repindex™ and Trufflenet™ 10

The Repindex™ business 11

Sales and Marketing 11

Technical 12

Software 12

Testing 12

Development Plans 12

Language 12

IP 12

Solutions 13

The Service 13

Case Studies 13

How it Works 14

Report Process 15

Pricing 15

Team 16

Executive Team 16

The Board / Advisors 17

Financials 18

Financial Projections 18

Hiring 18

Financing 18

Appendix One 19

Client Targets 19

Appendix Two 20

Monthly Forecasts 20

2013 six months 20

2013 – 2014 20

2014 – 2015 21

2015 – 2016 21

# Executive Summary

Trufflenet™ is a solution that enables organisations to understand how social media affects their business and how to act on this for improved outcomes or interaction.

Trufflenet™ delivers social media intelligence products and associated services that can replace traditional, less effective research and insight tools and methodologies, and is based on multiple applications:

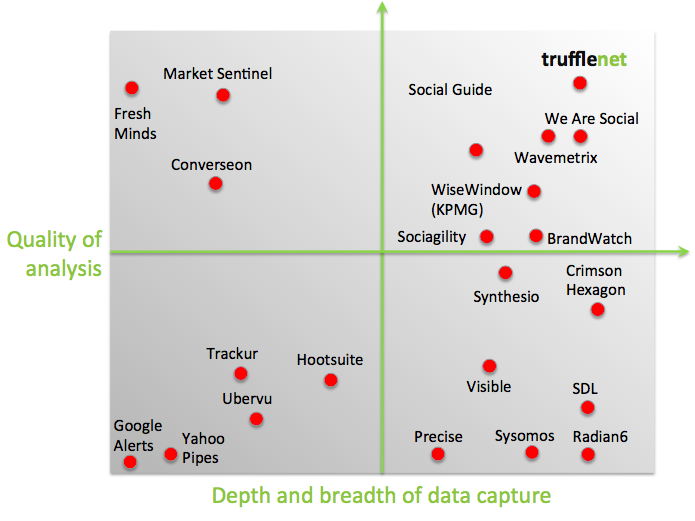
* Widespread perception of a brand, company or market
* Specific reputation management
* Crisis management

There are many web listening, reputation management services already in the market but they do not usually provide a complete service in terms of delivering useful information to their clients. Trufflenet™ sets itself apart in a busy market by coupling high quality human analysis with market-leading, automated linguistic analysis software - Repindex™ (see page 10 – 11). This combination means Trufflenet™ is ideally placed to accurately report on online reputation, how it affects a business and what can be done to harness that information for the wellbeing of the brand, company or market.

Social media activity continues to expand rapidly and globally. New communities are constantly emerging, offering environments where conversations can take place and opinions and information can be exchanged on a wide scale. This represents a huge challenge for organisations that are trying to keep ahead of customer and public opinion and to tune their strategy and communications to best effect.

The relevance of customer opinion, to a brand, company or market, should not be underestimated. No organisation can afford to ignore it. Understanding the exact message and relevance of customer opinion has proved difficult for many companies, when it is expressed in such a constantly evolving way as it is on the web and through an ever increasing number of channels.

There are numerous automated products available in the social media monitoring market. The software part of the Trufflenet™ solution has taken years to develop. Combined with the Repindex™ software, capturing data by concept, not just keyword and the addition of advanced human analysis differentiates Trufflenet™ from this abundance of automated offerings. The Trufflenet™ service is difficult to replicate and provides substantial barriers to entry for potential competitors in any immediate timeframe.



Trufflenet™ is well placed to understand what is actually being said online and how best to use that knowledge to affect business outcomes and decision making. Amongst the competitors, principal competition (see top right hand box of graph), now seems to reside with automated companies that are starting to add human analysis to their offering but are not yet as developed as Trufflenet.

Trufflenet is priced competitively for the services it provides and can offer real value to an organisation, especially as it delivers solutions, rather than simply delivering data.

Trufflenet™ owns the proprietary IP for its web scraping system and has an exclusive arrangement with Repindex™, the trademarked provider of its linguistic analysis software.

Trufflenet™ has built a small business based in London, which has attracted a blue chip client base. It is now seeking an investor to help grow the business globally.

Trufflenet™ is seeking an investment of £1m, which will provide sufficient working capital to increase marketing, product development and further recruitment to strengthen the management team. It will also facilitate the acquisition of and investment in the Repindex™ software to ensure Trufflenet™ remains at the leading edge of the rapidly evolving social media category.

# Vision

## The Social Media Vision

No organisation can afford to ignore customer opinion, wherever it might be expressed. Understanding the exact nature of customer opinion has proved difficult for many brands when it is expressed in such a complex, constantly changing way as it is on the web.

Opinions are voiced widely and candidly on the web. A social media search, even with very tight criteria, can result in thousands of results. It is clear that to collect such data without insight is of little value; this has become increasingly commoditised in dashboard formats. Producing these, and behind them voluminous reports with no realistic, timely way of evaluating what they actually mean, is useless to an organisation. In Trufflenet™’s experience, those organisations that use automated suppliers are usually required to recruit full time analysts to even vaguely make sense of the large volumes of data. This is not a very cost-effective approach and often adds internal cost of three to four times the external cost. Trufflenet™’s results are presented in a manner that business executives understand and can act upon directly.

Trufflenet™ interprets social media commentary, identifying sentiment and complex, multiple themes whilst also being able to profile the commentators. This capability gives Trufflenet™ access to mainstream market research budgets, where far larger sums are spent on insight as opposed to simply monitoring social media activity. Moreover, Trufflenet™ provides insight significantly faster, and at lower cost / with higher margins, than traditional research.

## The Trufflenet™ Vision

Trufflenet™ must capitalise on the advanced position it holds between market research and the automated data market in order to produce meaningful insights for organisations to manage their brands, campaigns and reputations effectively. This is already a huge, developed industry, in which Trufflenet™ can offer a differentiating and impactful solution.

Trufflenet™’s current multi-language capability, delivering results in global languages by mother tongue analysts also sets the company apart. The internet is global; its analysis should be too. Investment in the company at this stage will help Trufflenet™ realise its plan to roll the language capability out across all scripts.

# Market

## The Trufflenet™ Opportunity

The advantages of the Trufflenet™ solution offer considerable potential to present Trufflenet™ as a premium brand poised to take the leading position in the category, defining the category norms according to its own standards. These standards are to create understanding that Trufflenet™’s superior analytical device – Repindex™ Trufflenet™‘s ‘intel inside’ (see page 10 – 11), combined with human analysis – underpins its unique ability to deliver credible business and brand advice to clients. This will augment the perceived value of Trufflenet™ to the target whilst diminishing the reputation of inferior product offerings, mistakenly seen as competitors, as mere providers of basic social media monitoring and reporting.

## Positioning

### Social Media

* Social media activity is increasing exponentially across the globe. There is a proliferation of websites, channels, functionality and above all, users. Social media use increased by 20% in 2012 (e-Marketer), driven in part by huge increases in sales of mobile devices. By October 2012, there were over 1bn smartphones sold (Bloomberg); and a UN agency reports that there will be more mobile subscriptions than people in the world by 2014. Significantly, in Q1 of 2013 there were 49.2m sales of tablets, an increase of 142% year-on-year to 2012 – expanding the demographic of social media users towards more elderly people.
* Channel use is massive: there are now 57m Facebook users in India alone; on the day of 10 May 2013, there were 119.8m views of videos on Vevo.
* It goes further: Youtube announced that in 2011, there were 1 trillion views on its channel; 72 hours of video were uploaded every minute.
* The number of Twitter accounts shows the same trend, and not just amongst individuals. Burson Marsteller estimated in July 2012 that 82% of Fortune Global 100 Companies have at least one Twitter account, and 74% have Facebook accounts.
* And that corporate activity works both ways. For *each* of those companies during July 2012, there were an average of 55,970 mentions on Twitter; 19,739 mentions on online forums; and 19,610 on blogs. This is two-way communication, the heart of social media.

### The Research Market

The majority of social media services are limited to simply monitoring and reporting. Trufflenet™ provides a unique, empirical service that enables it to participate in the much larger research market. Although the size of the global social media marketing industry is forecast to grow rapidly from just $716m in 2009 up to $4.8bn in 2014[[1]](#footnote-1) Trufflenet™'s services are well positioned to address the needs of the larger market research industry, worth $29bn globally, and $2bn in the UK alone in 2009.

At the current time, the market for social media insight is dominated by simple (automated) monitoring companies such as Radian6 and Brandwatch and they are therefore an obvious point of comparison for clients. But they are not an obvious point of comparison in terms of provision of service.

### Emerging Markets and Non English Language Commentary

In addition to a strong presence in English language markets, Trufflenet™’s unique language capability has allowed the company to undertake a number of contracts in a range of emerging markets, including China, the Middle East (Saudi Arabia, UAE, Bahrain) and Latin America (Brazil, Mexico, Argentina, Colombia, Venezuela, Guatemala). The Trufflenet™ service can be transferred to any location in any language with consistency and accuracy through native language speaking analysts.

In the course of conducting this work, the business has become aware of the absolute paucity of suppliers who can deliver against such requirements. Whilst coverage of English language commentary in North America and Western Europe is commonplace, Trufflenet™ is aware of few suppliers that can provide the data, let alone the analysis, to service clients operating outside of these markets. There are a number of explanations:

* The vast majority of Trufflenet™’s competitors are based in North America and have focused largely on this very sizeable market when building up their capabilities
* In most instances, competitors rely on the major social media channels in western markets for their data. However, Facebook, Google and Twitter will often yield little data when seeking comment generated within emerging markets

Where competitors have invested large sums of money in automated processing of data, the investment to manage non English language content and scripts is a highly significant barrier to adaptation, particularly for the more complex items such as sentiment analysis (where even in English, automation typically is not more than 70% accurate).

Consequently, Trufflenet™ believes there is significant opportunity to build a very compelling reputation and revenue base through servicing clients with a need to understand the dynamics of such markets. In addition to representing very sizeable populations and economies, these markets are also highly active users of social media. As an example, China, which might traditionally have been considered a market where personal expression is highly limited, has shown itself to be a far more enthusiastic adopter and user of social media even than North America.

Extrapolating the growth of social media users by country beyond 2013 to 2014, it can be seen that emerging markets will make up approximately 80% of all social media users at this time. This represents an enormous target market, where Trufflenet™ has an unrivalled opportunity to establish itself as a market leader.

## Competition

### Trufflenet™ Compared to Automated Services

Based on research of current clients and prospects, Trufflenet™ determined early on that there are a number of limitations to a fully automated service, the most important of which are summarised below:

* There is a critical distinction between data and insight. The former is a commodity, whereas the latter requires the ability to contextualise data through the use of external knowledge. Trufflenet™ analysts reach beyond the data to explain what is happening in the external environment; this enables clients to understand the extent to which the data found is of importance. This process simply cannot be automated
* Automated sentiment analysis remains stubbornly inaccurate (it typically achieves maximum accuracy rate in the region of 60-70%). Regional inflections, use of idiom, abbreviations, sarcasm and sentences with multiple sentiments are beyond the reach of even the most sophisticated natural language processing tools
* A potential client, one of the largest transport infrastructure companies worldwide, showed Trufflenet™ their internal social media listening data from November 2012. Their system captured 128 results it deemed relevant on a particular subject and used automated analysis to identify positive sentiment in 13% of the results. When Trufflenet™ analysed the same set of data it was found that less than half, only 51 of the 128, were relevant, of which 41% were positive. Thus actually confirming to the client that positive sentiment was much stronger, not only in relative terms but also in absolute, augmented by the increase in relevance
* Trufflenet™ provides a balance between consultancy and a purely technical offering. Where accuracy and relevance of what is captured can be ensured, Trufflenet™ uses its superior software in combination with Repindex™ to automate the assembly of applicable data. This entirely scalable automated element of Trufflenet is then augmented by the poignant overlay of human analysis to ensure a dependable outcome
* Trufflenet™ is built on an understanding of linguistics, not just software engineering. The ability to search for data using concepts rather than just keywords, and employing sophisticated automated concordance techniques, produces far deeper results to analyse. With the Repindex™ IP built into the Trufflenet™ system, the analysis is infinitely more sophisticated than any other solution currently available
* Generic dashboards identify only the shifts in topline numbers and typically focus on form (charting and graphing of data) over function (analysis). As a consequence, organisations tend to stop using desktop access dashboards relatively quickly and the perceived value of an automated service diminishes rapidly. Moreover, the cost to a client of employing staff members to assess and monitor streams is relatively high, and nullifies the low cost of the data stream itself

### Trufflenet™ compared to Traditional Research Methodologies

Trufflenet™ believes that a key area of competition is found within the traditional market research businesses that have been slow to adjust to the new sources of information on the web.

* Insight from the web is unstructured, natural, candid commentary. It is free of the bias of professional online panellists, who frequently participate solely to receive coupons or voucher payments
* Response rates in the online research business have fallen to critically low rates, particularly in niche demographic groups, such as under 25 year olds, and users of specific products or services. There is a below 0.1% take up in online surveys. However, these same groups are posting their true opinions online in significant volumes
* Ethnographic data (the study of what people have actually done, as opposed to what they claim to have done in a sample based survey), is gathering increasing prominence in insight circles
* Trufflenet™ can provide data at a fraction of the cost of traditional research because there is no requirement to pay a sample to give their opinions. Currently, the cost of acquiring the sample runs at an average of 60% of any market research project and in some areas, such as healthcare or specialist studies, sample costs can run at up to 80% of the overall cost
* As commentary on the web is a live resource, Trufflenet™ can provide results of any searches and analysis far more quickly than sample based research. It is estimated that Trufflenet™ is able to provide a final response to clients two to five times faster than traditional research companies

### Competitive Analysis

Trufflenet™ has no competitors that provide the complete solution at a competitive price. The alternatives can largely be split between fully automated, dashboard services that provide swathes of unmanageable and largely inaccurate date and a more full service with some analysis, often automated and again often inaccurate:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Competitor** | **Automated** | **Multiplier on fee to ensure automated data is meaningful** | **Social Media Monitoring** | **Social Media Engagement** | **Social Media Marketing** | **Human Analysis** | **Consultancy** | **Language** | **Other** |
| Radian6 (Salesforce Marketing Cloud) | 100% | X4 | Yes | Yes | Yes | No | No | English | Bought by Salesforce in 2011 for $326m |
| Crimson Hexagon | 100% | X4 | Statistical pattern modelling | Yes | No | No | No | English | Acquired by Omnicom. Leverages proprietary Harvard technology |
| Brandwatch | 100% | X4 | Yes | Yes | Yes | No | No | English + 15 | Under the Gorkana umbrella |
| Social Guide | 100% | X4 | Yes | Yes | Yes | No | Yes | English | Was NM Incite (JV Nielsen and McKinsey) |
| WiseWindow | 100% | X4 | Yes | Yes | Yes | Marketing | Yes | English | Acquired by KPMG |
| Wavemetrix | 70% | 0 | Yes | Yes | Yes | Yes | Yes | English + 49 | Technology + service |
| We are Social | 50% | 0 | Yes | Yes | Yes | Yes | Yes | English + major world languages | Social Media, Digital, PR & Marketing Consultancy |
| Trufflenet | 70% | 0 | Yes | Yes | Market research | Yes | Yes | Any |  |

## Repindex™

Repindex™ is a University of Cambridge business established by Dr Mark Perkins, an academic linguist who has written over 30 white papers, building on his original PhD, on Discourse Stream Analysis. Through its current, exclusive partnership with Repindex™, Trufflenet™ is able to develop a far more scalable proposition than would otherwise be possible, with significant margin enhancement. Repindex™ has amassed an extensive dataset of historic comment over the past 10 years, allowing for historic trending data and forecasting of consumer trends and opinions. This forecasting capability will have significant commercial value as Trufflenet™ continues to develop and refine it, working with Dr Mark Perkins and his team.

### Repindex™ and Trufflenet™

Trufflenet™ currently has an exclusive arrangement with Repindex™, whereby Dr Mark Perkins owns the rights to the proprietary IP but all Repindex branded products are for the exclusive use of Trufflenet™. Once funded, Trufflenet™ will purchase Repindex™ and all its proprietary IP in an arrangement already agreed with Dr Mark Perkins. Repindex™ will continue to be Trufflenet™’s ‘intel inside’ ensuring the continuation of more accurate and relevant data capture for human analysis.

### The Repindex™ business

* Concept Libraries[[2]](#footnote-2) - Repindex™ has a library of approximately 100,000 proprietary Concept Libraries built by Dr Mark Perkins over a number of years. These Concept Libraries can be used as advanced search terms to get much better quality data than would be found using simple keyword searches alone. The Concept Libraries are in English and major European languages. The use of Repindex™’s Concept Libraries not only dramatically improves the results generated by Trufflenet™, but also materially enhances multi-lingual capabilities
* Data Library - Repindex™ has an historic library of 4,800 daily RSS feeds going back up to 10 years. This has generated a database of several billion words, which can facilitate trend analysis, an important new development for the business. With trend analysis capabilities, the business is in a position to develop a range of new products and address a far broader spread of market needs
* Desktop Application - Repindex™ has an application that allows it to search and pick out themes and topics from large databases of unstructured free text, which is integrated into the Trufflenet™ platform and workflow. As a result, Trufflenet™ is able to process searches containing significant volumes of text in a matter of minutes. The ability to provide very quick turnaround services allows Trufflenet™ to expand its product range and therefore its potential client base

### Sales and Marketing

Two thirds of Trufflenet™'s business is from retained clients. Names including Pernod Ricard, IKEA, GlaxoSmithKline and a number of UK Government departments have worked with Trufflenet™ since the company's earliest days. Each retained client has an Account Manager, who will also work as an analyst on that client’s data, so that there is consistency and continuity in the client relationship. The analyst concerned would manage and quality-control the work of any freelance, native language coders who are assigned a particular job for that client.

The same analysts are also responsible for project work for other clients as well as driving the new business effort. The current focus is on bringing in new business from global companies, where Trufflenet™ can scale the solutions it provides, in categories where Trufflenet™ is not adequately represented, namely automotive, airlines, luxury and the banking / insurance sector. First division global names are being sought in each category in order to maximise Trufflenet's global capabilities.

# Technical

## Software

Trufflenet™’s research technology searches the web in order to uncover online conversations and comments and profile the individuals making them. It works a little like a search engine, checking for the appearance of keywords and data as defined for each client. These specific tools are called scrapers and they scrape the web to gather the relevant data. This combined with the Repindex™ semantic analysis tool generates the accurate data by which Trufflenet™ analysts can establish the importance and relevance of the data. Trufflenet™ is mindful of exposure to margin erosion from increased competition and a risk of failing to match competitor spend on front-end technology effectively. To that end funding will, in part, be utilised to further research and develop the technology that sits behind Trufflenet™, including in Repindex™.

## Testing

The team in London and Hanoi work together to develop the software utilised by Trufflenet™. A rigorous testing process is in place and further quality-assurance processes for the output help Trufflenet™ maintain its position as provider of accurate market research analysis.

## Development Plans

Trufflenet™ continues to invest in the team that builds the scrapers and has already built up a considerable library on which to draw.

There is an ongoing R&D programme to ensure Repindex™ provides Trufflenet™ with the linguistic edge it requires to lead the market. Similarly, R&D of the Trufflenet™ software is concurrent to ensure Trufflenet™ maintains its position ahead of competitors through its technical and linguistic capability.

### Language

Ability to work in a wide range of languages, using mother tongue analysts is another of Trufflenet™’s unique capabilities. Trufflenet™ tackles Asian languages in the same way it does 26 letter, Roman scripts. The data is captured, it is analysed by mother tongue speakers and the report is written in the language required by the client.

However, whilst the Trufflenet™ search platform can competently handle 26 letter, Roman script languages and also return results from other languages historically it has bought in data (using Brandwatch and others) for some languages, eg. Chinese and Arabic. With some minor technical development the Trufflenet™ software will be able to handle all foreign languages as easily as English.

This is similar for Repindex™ – Repindex™ can handle 26 letter, Roman script as easily as English but other scripts require some additional work. Each project and each language requires concept libraries to be created, which is no different to an English-language project. In conjunction with Trufflenet™, Chinese, Japanese, Korean and other languages such as Arabic and Russian are all part of the development programme for the software.

## IP

Trufflenet™ owns the proprietary IP for its web scraping system and has an exclusive arrangement with the provider of the linguistic analysis software, Repindex™.

# Solutions

## The Service

Trufflenet™ marries sophisticated computer algorithms, academic linguistic research and human analysis to create a near real time, intelligent system.

Trufflenet™ provides bespoke reports in addition to a range of social media listening products:

* Brand and communications audits
* Advertising effectiveness
* Competitor analysis
* Market snapshots
* Customer satisfaction
* Reputation management
* Crisis management

## Case Studies

1. Pernod Ricard

Jurisdiction – Mexico

Search period – 11 months, 2011 – 2012

Search results – 1,577, relevant – 932

Brief – ascertain the effect and appeal of a whisky TV ad campaign

Key channel for content was Twitter 91.09%.

Trufflenet™ findings:

* 1. Twitter is an effective channel for monitoring engagement
  2. Promotions involving customers posting content to win prizes were successful
  3. Broadening the analysis to include monitoring associated aspects of the campaign would provide further insights
  4. Real time monitoring before, during and after a campaign would enhance the effectiveness of search and deliver insights

Client response – Pernod Ricard, Latin America, is rolling out the Trufflenet™ solution on all above the line campaigns (TV and radio) for the Ballantine whiskey brand in Argentina, Mexico, Venezuela, Chile and Peru.

1. Which? Magazine

Jurisdiction – UK

Search period – two weeks

Brief – Phase I (week one) – public perception of the Libor fixing scandal, what should be done and who is to blame. Phase II (week two) – how has public opinion and the nature of the online conversations changed.

Trufflenet™ findings:

* 1. Initial reactions were mostly reporting the news
  2. One week on from the occurrence, much more nuanced opinion was being expressed and more insight could be garnered from the discussions
  3. Initially in week one the focus was on banks
  4. In week two the focus was on individuals and government

Client response – Which? magazine uses Trufflenet™ for their specialist quarterly housing reports and for their ongoing bi-weekly reports. Recent examples have been energy cost, car insurance, bank accounts and PPI claim surveys.

1. Sony Corporation

Jurisdiction – USA

Search period – ten months

Brief – Analysis of addiction, violence and sexual content of video games, from UK forums (eg. mumsnet, netmums, moneysavingexpert and thestudentroom) to deduce who is addicted, what impact this addiction has and which games are the prime suspects for comments on addiction, violence or sexual content

Trufflenet™ findings:

* 1. Comments on violence between 5 – 6% of all comments on Grand Theft Auto and Call of Duty
  2. Addiction was the most prevalent concern followed by violence and sexual content, third
  3. Concern regarding addiction and violence in video games for males exceeds that for females by a factor of three to one
  4. The primary concern for partners was the impact of video games on relationships

Client response – Trufflenet™ is Sony Computer Entertainment UK’s preferred provider of social media monitoring of the games console category, in the lead up to and following the launch of its next games console, towards the end of 2013.

## How it Works

Based on keywords or conceptual themes discussed with and determined by the client, Trufflenet™ assesses historic data. In addition Trufflenet™ monitors websites, blogs, forums, Twitter and social networks for a specified period of time or until the agreed number of relevant results are found. Sample sizes vary greatly from client to client and may be constrained where the topic of interest is unlikely to generate mass comment (for example, the effectiveness of a very specialised drug therapy).

Each automated search result is automatically coded for a range of quantitative attributes according to a number of proprietary algorithms. An editorial analyst subsequently assesses the qualitative features of the relevant results. The quantitative and qualitative output is then synthesised to provide a bespoke assessment to the client.

## Report Process

1. Agree on the key questions or issues to be addressed
2. Keywords and Repindex™ concepts iterated with the client to form defined search terms
3. Search terms submitted to the Trufflenet™ system and run for 24 hours to assess any obvious discrepancies or omissions (for example, common misspellings or synonyms)
4. Results coded by proprietary algorithms for key quantitative measures
5. Repindex™ concordances applied to the output
6. Trufflenet™ platform sorts results by concordance, enabling simple prioritisation for editorial staff
7. Trufflenet™ editor reviews and analyses all relevant results within scope of client defined range
8. Report produced with recommendations for action to discuss with the client

## Pricing

The superior attributes of the Trufflenet™ product, in contrast with the majority of the social media monitoring category, clearly puts it in a position to command a price premium over automated services that are believed to be, but are not actually, comparable.

Where the Trufflenet™ solution replaces in-house analysis and consultancy or comparative products, of which none match Trufflenet™; the pricing structure is incredibly competitive. Undertaking a review of the solution employed by a world leading infrastructure company, a potential client, Trufflenet found that the in-house team of three, at a cost of £70,000 / head / annum (not including the bought in data), was reviewing inferior data at a very high cost and getting less accurate and meaningful results. By combining technology that assembles far superior data with a more cost-effective analysis model Trufflenet™ could provide a significantly enhanced solution for less than half the annual cost.

To date, category, and Trufflenet™ pricing, has been calculated by adding modest margins for time and overheads to the basic reporting and analysis.

Trufflenet™ will set a new pricing standard whereby the price commanded will be a reflection of the fundamental importance of the advice provided to clients and their businesses, supported as it is, by its best in class human and software based analysis.

The pricing model will mirror that of other leading professional advisers such as the leading global communication groups and management consultants, who calculate their fees based, not only on the product and service they deliver but also on the advice and business partnership they provide.

On the basis of this best in class advice and input, Trufflenet™ also anticipates securing long term, ongoing accounts rather than the one off projects so typical of the category in general.

The one off projects that currently dominate, which command fees in the £5,000 – £30,000 bracket will be supplemented and, in time, replaced by minimum £50,000 – £100,000 per annum contracts.

# Team

## Executive Team

Nigel Clarke – Executive Chairman and Founder

Nigel was one of three principal partners of GJW, the UK’s leading public affairs consultancy over the last 23 years. Nigel became Chairman of the merged entity, Weber Shandwick/GJW, formed on the sale of GJW. In 2003 Nigel set up Learned Lion Partners to make investments in and advise start-up businesses across a wide range of market sectors and operating territories. Nigel was an early investor and non-executive director of ULTra Global PRT, a transport business. He set up and chaired SureCalm Healthcare Ltd, raising £9m to acquire, integrate and expand three healthcare businesses, which was sold within two years to a competitor for a consideration of £21.5m.

James Hindhaugh – Managing Director

James has had a 30 year career in account management and strategic planning with the D’Arcy Masius Benton & Bowles, Ogilvy & Mather and Leagas Delaney Communications Groups.

He has widespread experience of many client operations, notably in the fmcg, retail and service sectors. His international experience is also considerable, having been based, at various times in his career, in London, Paris, New York, Milan and Rome.

In recent years he has run his own consultancy specialising in brand development and product innovation for the luxury industry and start-up businesses.

A list of James’ previous, relevant clients who are currently being targeted by Trufflenet is at Appendix One.

Grace Smallwood – Chief Operations Officer and Company Secretary

Grace has been involved with Trufflenet since its inception.

A junior partner at Learned Lion Partners, which she joined at an early stage, Grace has more than eight years’ experience managing projects for the company. She began her career with Bank of New York as a project supervisor, primarily in research. She has particular experience in installing and managing corporate governance mechanisms, serving as Company Secretary to a number of companies.

Kevin Savage – Business Director

Kevin brings many years of market research experience to Trufflenet and, as Business Director, is responsible for delivering growth within Trufflenet’s core blue chip markets.

Previously, VP of Sales and Marketing at Yankee Group he led their expansion in Europe, bringing their telecoms and IT research expertise to a wide range of their clients.

Most recently, Kevin was with Communispace, the world’s leading provider of market research online communities, extending their presence in the European market, working with clients such as Novartis and Unilever.

Janet Gunner – Healthcare Director

Janet has extensive experience within global qualitative medical market research. Janet has worked closely with the majority of the top 50 pharmaceutical companies ensuring business goals were met by research objectives and that findings were both insightful and actionable. Janet is also experienced in quantitative research and more recently social media research within the healthcare industry.

## The Board / Advisors

Nigel Clarke

Thomas Dicker

Peter Guttridge

Nick Harrison

Dr Mark Perkins

Sir Stephen Sherbourne

Grace Smallwood

Sally Ward

# Financials

## Financial Projections

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2013 (six months)** | **2014** | **2015** | **2016** |
| **Sales Revenue** | £116,350 | £615,000 | £1,480,000 | £2,600,000 |
| Cost of sale | £5,600 | £31,700 | £79,000 | £111,000 |
| **Total Costs** | £255,997 | £637,569 | £655,867 | £692,267 |
|  |  |  |  |  |
| **Operating Profit** | **-£145,247** | **-£54,269** | **£745,133** | **£1,796,733** |

See further details at Appendix Two.

## Hiring

In order to minimise the funding required Trufflenet™ has been operating with a lean structure, which has sufficed until now.

However, in order to ensure the business realises its full potential a Managing Director was required and Trufflenet™ has appointed James Hindhaugh to the post.

It is anticipated that as the business expands, it will make use of freelancers for coding as it is known that maximum productivity for this sort of work is achieved in work periods not exceeding four hours. This therefore suits a freelance schedule and procedures are in place and the structure has been implemented. This approach is also more suited to the needs of the multilingual services, where the business will require language analysis managers as the demand develops, but analysts on a strictly part-time basis.

Further hiring will be required to augment the sales and marketing team within the business. It is also likely that a specific client-handling role will be implemented within the next twelve months, at the discretion of the new Managing Director.

## Financing

Trufflenet™ is seeking minimum of £1m equity funding. This will be used for four particular purposes:

To invest in people, continuing with the new Managing Director, in order to improve client handling services and increase the business’ ability to win repeat business from clients, and to provide greater support for sales and marketing;

To focus on reducing the market expansion by investing in the Chinese, Japanese and Korean software element in order to further differentiate the business from the competition.

To purchase Repindex™ and its proprietary IP.

To support continued R&D required for Trufflenet™ and Repindex™ to ensure Trufflenet™ retains its position at the forefront of the social media research category.

# Appendix One

### Client Targets

James has worked with many global brands including:

Procter & Gamble

Unilever

M&M / Mars

Ford

Burger King

Kraft Foods

L’Oreal

Philips Electronics

Lyons Tetley

Roche Pharmaceuticals

And a wide range of UK companies:

Allied Breweries

Birds Eye Foods

Weetabix

WH Smith

House of Fraser Stores

The Royal Mail

He also has government experience having worked with:

The Department of Trade and Industry

The Foreign Office

The Department of Health

# Appendix Two

## Monthly Forecasts

### 2013 six months

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Mar-13** | **Apr-13** | **May-13** | **Jun-13** | **Jul-13** | **Aug-13** |
| **Sales Revenue** | **£17,340** | **£13,810** | **£25,200** | **£25,000** | **£5,000** | **£30,000** |
| Cost of Sale | £0 | £600 | £0 | £0 | £0 | £5,000 |
| **Total Costs** | £43,108 | £41,652 | £41,543 | £41,536 | £43,050 | £45,108 |
|  |  |  |  |  |  |  |
| **Monthly Operating Profit** | **-£25,768** | **-£28,442** | **-£16,343** | **-£16,536** | **-£38,050** | **-£20,108** |
| **Cumulative Cashflow** | **-£25,768** | **-£54,210** | **-£70,553** | **-£87,089** | **-£125,140** | **-£145,247** |

### 2013 – 2014

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Sep-13** | **Oct-13** | **Nov-13** | **Dec-13** | **Jan-14** | **Feb-14** | **Mar-14** | **Apr-14** | **May-14** | **Jun-14** | **Jul-14** | **Aug-14** |
| **Sales Revenue** | **£30,000** | **£35,000** | **£40,000** | **£40,000** | **£40,000** | **£40,000** | **£45,000** | **£60,000** | **£60,000** | **£75,000** | **£75,000** | **£75,000** |
| Cost of Sale | £4,800 | £400 | £1,000 | £1,000 | £1,000 | £1,000 | £1,500 | £2,500 | £2,500 | £6,500 | £6,500 | £3,000 |
| **Total Costs** | £46,548 | £48,544 | £48,915 | £48,915 | £58,050 | £58,050 | £58,222 | £53,736 | £53,736 | £54,250 | £54,300 | £54,300 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Monthly Operating Profit** | **-£21,348** | **-£13,944** | **-£9,915** | **-£9,915** | **-£19,050** | **-£19,050** | **-£14,722** | **£3,764** | **£3,764** | **£14,250** | **£14,200** | **£17,700** |
| **Cumulative Cashflow** | **-£166,595** | **-£180,539** | **-£190,454** | **-£200,370** | **-£219,420** | **-£238,471** | **-£253,192** | **-£249,429** | **-£245,665** | **-£231,415** | **-£217,216** | **-£199,516** |

### 2014 – 2015

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Sep-14** | **Oct-14** | **Nov-14** | **Dec-14** | **Jan-15** | **Feb-15** | **Mar-15** | **Apr-15** | **May-15** | **Jun-15** | **Jul-15** | **Aug-15** |
| **Sales Revenue** | **£100,000** | **£100,000** | **£110,000** | **£110,000** | **£110,000** | **£125,000** | **£125,000** | **£140,000** | **£140,000** | **£140,000** | **£140,000** | **£140,000** |
| Cost of Sale | £6,000 | £6,000 | £6,000 | £6,000 | £6,000 | £6,000 | £6,000 | £6,000 | £6,000 | £9,500 | £9,500 | £6,000 |
| **Total Costs** | £53,856 | £53,856 | £54,198 | £54,198 | £54,198 | £54,713 | £54,713 | £55,227 | £55,227 | £55,227 | £55,227 | £55,227 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Monthly Operating Profit** | **£40,144** | **£40,144** | **£49,802** | **£49,802** | **£49,802** | **£64,287** | **£64,287** | **£78,773** | **£78,773** | **£75,273** | **£75,273** | **£78,773** |
| **Cumulative Cashflow** | **-£159,372** | **-£119,227** | **-£69,426** | **-£19,624** | **£30,178** | **£94,465** | **£158,752** | **£237,525** | **£316,298** | **£391,571** | **£466,844** | **£545,617** |

### 2015 – 2016

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Sep-15** | **Oct-15** | **Nov-15** | **Dec-15** | **Jan-16** | **Feb-16** | **Mar-16** | **Apr-16** | **May-16** | **Jun-16** | **Jul-16** | **Aug-16** |
| **Sales Revenue** | **£140,000** | **£180,000** | **£180,000** | **£180,000** | **£180,000** | **£220,000** | **£220,000** | **£250,000** | **£250,000** | **£250,000** | **£275,000** | **£275,000** |
| Cost of Sale | £8,000 | £8,000 | £8,000 | £8,000 | £8,000 | £8,000 | £8,000 | £8,000 | £8,000 | £15,500 | £15,500 | £8,000 |
| **Total Costs** | £53,227 | £56,598 | £56,598 | £56,598 | £56,598 | £57,970 | £57,970 | £58,998 | £58,998 | £58,998 | £59,856 | £59,856 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Monthly Operating Profit** | **£78,773** | **£115,402** | **£115,402** | **£115,402** | **£115,402** | **£154,030** | **£154,030** | **£183,002** | **£183,002** | **£175,502** | **£199,644** | **£207,144** |
| **Cumulative Cashflow** | **£624,390** | **£739,792** | **£855,193** | **£970,595** | **£1,085,996** | **£1,240,027** | **£1,394,057** | **£1,577,058** | **£1,760,060** | **£1,935,561** | **£2,135,206** | **£2,342,350** |

1. Forrester Research [↑](#footnote-ref-1)
2. Collections of all words linked to a given concept [↑](#footnote-ref-2)