11/5/2016  
 Massivit North America Sales – First Sixty Days  
 By Eli Eldan  
  
**Chapter I – Summary of activities**

I-1. Time line summary of activities

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| --- | --- |
| 9/6/2016 | First day with Massivit. |
| 9/8/2016 | Closed distribution agreement with NuSign. |
| 9/13/2016 | Partners meeting in Las Vegas. |
| 9/14 – 16/2016 | SGIA show. |
| 9/15/2016 | Closed sale of Massivit system to Left Bank Art (together with NuSign) |
| 9/15-16/2016 | Meetings with Walmart & Oldham. |
| 9/16/2016 | Meeting with Global Imaging. Moving forward to discuss distributorship. |
| 9/19 – 10/10/2016 | Left Bank Art system deployment (spent almost 100% of my time at the customer site for this period, with only short breaks to close the Dangling Carrot sale and to visit two prospect customers). |
| 9/21/2016 | Visit to prospect customer – Primary Color with NuSign. |
| 9/26/2016 | Visit to prospect customer – DSE with NuSign. |
| 9/26/2016 | Sent information to Walmart. |
| 9/29-30/2016 | Closed sale of Massivit system to Dangling Carrot (I closed the sale on the product side. NuSign finalized the commercial terms). |
| 10/5/2016 | Phone call with Global Imaging to discuss distributorship. Greg is still evaluating before final decision if they want to move forward. Wait before sending him the new distributor business plan document. |
| 10/7,14/2016 | Shipped 3D samples to Walmart. |
| 10/21/2016 | Meeting with Oldham Group to discuss distributorship. Moving forward to prepare the new distributor business plan and to finalize an agreement. |
| 10/25/2016 | Meeting and site tour at SDM. |
| 10/2016 | Multiple phone calls & emails with Prisco to discuss near term sales prospects. |
| 10/27/2016 | Follow up with Global Imaging to schedule a visit with Erez for mid November to move forward on distributorship discussions. |
| 10/31/2016 | Follow up with Oldham Group to schedule a visit with Erez for mid November to finalize a distributor agreement including a demo system. |
| 11/2/2016 | Delivered 3D sample to Dangling Carrot + business meeting with the customer. |
| 11/4/2016 | Received sample files from Marvel. These are strategic samples for one of the largest studios in Hollywood and one of the top customers of Dangling Carrot. Files sent to Erez. |

I-2. Summary of activity by customers/prospects

|  |  |  |  |
| --- | --- | --- | --- |
| Customer/Prospect | Location | Channel | Status |
| Left Bank Art | La Mirada, CA | NuSign | Sale. System installed and returned by the customer. Too big of a gap between customer’s requirements and current Massivit system capabilities. The customer is very interested to work with Massivit and wants us to come back when the system has progressed. Potential for multiple machines. |
| Dangling Carrot | Valencia, CA | NuSign | Strategic Sale. A major provider of sets and props to the big movie studios in Hollywood & Atlanta with three sites : One site in California. Two sites in Atlanta. Potential for multiple machines. Success at this customer will move Massivit to the center stage of the movie industry. System installation planned for end of January 2017. |
| SDM | Valencia, CA | Direct | Near term sale prospect. Interested in purchasing within November for their California site. Currently working on a detailed business case. |
| Walmart | Bentonville, AR | Oldham | Mega-strategic prospect. Big potential. Received samples and liked them. Currently waiting for the distributor agreement with Oldham to be official before next steps. |
| Primary Color | Costa Mesa, CA | NuSign | Large commercial printer. High interest. Prospect for 2017 |
| Artistic Entertainment | Azusa, CA | NuSign | High interest. Met them at SGIA. |
| DSE/DMI | San Fernando, CA | NuSign | Model shop for the movies industry.  Currently using multi-axis CNC. Need high resolution to minimize finishing. |
| FlixFx | North Hollywood, CA | Prisco | Prospect for 2017. |
| InSign | Cherry Hill, NJ | Prisco | No movement on the selling process. |
| Performance Printing | Dallas, TX | Prisco | Not a prospect anytime soon. |
| Rinze Display | Omaha, NE | Global Imaging | Initial interest in large scale 3D printing |
| Tangible Solutions 3D | Dayton, OH | Direct | Contact through Yair. Follow up email was sent. |
| Custom Design Center | Columbus, OH | Direct | Pre SGIA contact. Follow up email was sent. |
| Edison Litho | North Bergen, NJ | Direct | Demo at a show. Follow up email was sent. |
| GP Color | North Hollywood, CA | Direct | Web inquiry. Introductory phone call made. Following up. |
| Gold Line Graphics | New Orleans, CA | Direct | Pre SGIA contact. Follow up email was sent. |
| Blue Media | Tempe, AZ | Direct | Introduction by Paul Bartnicki. Follow up email was sent. Most likely will be transferred to NuSign. |
| World Wide Sign Systems | Bonduel, WI | Direct | Web inquiry. Follow up email was sent. |
| Blue Line Studios | Las Vegas, NV | NuSign | Attended the Massivit event in Las Vegas. High interest. Key contact has moved to a new company. Lead transferred to NuSign. |
| Big Print | Minneapolis, MN | Direct | Web inquiry. Small printer looking for large scale 3D printing service. Was referred to Carisma. |
| The High End Beer | New York, NY | Direct | Web inquiry. Follow up email was sent. |
| MarketCraft | Tualatin, OR | Direct | Introduction by Joseph Mergui. Information was sent. Follow up. |

I-3. Summary of activity – distributors

|  |  |
| --- | --- |
| Distributor | Status |
| Prisco | First distributor in the U.S. since late 2015.  Focused on large format printers across the U.S. Zero sales of Massivit systems. Refused to purchase a demo system. Refused to participate at SGIA. Sales team not responsive at all to communication with Massivit (One consultant working in California on Massivit sales. No results so far. One prospect for 2017 in the entertainment market). |
| NuSign | New distributor covering CA, NV, AZ, TX. Closed two sales of Massivit systems in the first three weeks (one system was returned by the customer). Targeting the entertainment industry. Also some printers. Highly aggressive. |
| Oldham Group | Distributorship discussions in advanced stages.  Expect to finalize an agreement during 11/15 meeting. Interested in purchasing a demo system. Major distributor of large format printers covering the Midwest. Strong connection with Walmart. Connection with other national retail chains (Target). |
| Global Imaging | Decided to move forward and wants to become a Massivit distributor. Received new distributor business plan and distributor pack. Expect to finalize an agreement during 11/14 meeting. High quality distributor of large format printing equipment across the U.S. |
| Alpha Imaging | Strong distributor on the East Coast.  Recent introduction made by NuSign. No response to follow up request to meet. They gave a negative response to Massivit in July 2016. |

I-4. Summary of activity – industry contacts

|  |  |  |  |
| --- | --- | --- | --- |
| Contact | Company | Role | Status |
| Jack Weiszberger | A & J Visual Solutions | President | Was the finder of the Carisma sale. Follow up email was sent. We agreed to talk during this coming week. |
| Ben Amor | Caldera | Sales & Operations Mgr | Meeting at NuSign and SGIA. Follow up email was sent to schedule a follow up conversation on potential distributors. |
| Paul Bartnicki | HP | Western Region Sales Mgr | Introductory meeting at SGIA. Follow up email was sent to schedule a follow up meeting. |
| Judith Vandersburger | EFI | Channel Sales Development Mgr | Introductory meeting at SGIA |
| Carmen Pacella | Distributor Development | Independent Consultant | Introductory meeting at SGIA. Interested to work with Massivit on building a distribution network in the U.S. and Canada. |

**Chapter II – Massivit North America 2017 sales forecast**

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| --- | --- | --- | --- | --- | --- |
| Channel\Units | Q1 | Q2 | Q3 | Q4 | Total |
| NuSign | 1 | 1 | 2 | 2 | 6 |
| Oldham |  | 1 | 1 | 2 | 4 |
| Global Imaging |  | 1 | 2 | 2 | 5 |
| Total | 1 | 3 | 5 | 6 | 15 |

**Chapter III – Massivit selling approach to the North American market**III-1. Background  
  
Massivit’s selling activity in the U.S. market started in late 2015 with the appointment of Prisco as a national distributor for the U.S. market.  
  
The primary target market defined by Massivit was the large format printers market.  
  
Prisco was a good fit for this target market as they are a well established distributor of large format printing equipment and their President – Steve Zunde is a veteran of the large format printing equipment industry.

The Prisco sales team went to work to sell the Massivit system. But despite a year long sales efforts, so far Prisco was not able to sell even a single Massivit system in the U.S. market.  
  
The only Massivit system that was sold and installed in the U.S. was at Carisma in New York. However, this sale was a result of a unique situation. The owner of Carisma flew to Israel and visited Massivit and based on his visit decided to purchase a system. However, despite multiple visits by Prisco prospect customers to Carisma as well as phone calls and meetings at a trade show, none of the prospects that received a reference from Carisma about their Massivit system, has decided to buy a system.  
  
Over time Prisco gradually lost interest in the Massivit product, leading to reduced commitment toward the Massivit activity. Prisco has refused to purchase a demo system and has refused to participate at the SGIA show and represent the Massivit product. It seems at this point in time that the Prisco sales team has lost the motivation to sell the Massivit product. The Prisco sales people have consistently ignored all recent attempts to discuss details of potential Massivit sales opportunities, including repeated requests by their manager, Steve Zunde.

Conversely, since I started my work with Massivit in early September, we were able to get the interest of three highly motivated distributors that all have a very high interest in the Massivit product. One distributor has already signed a distribution agreement and two additional distributors are expected to finalize agreements within the month of November.  
  
Interestingly, it seems that the main initial traction that we see from those new distributors is from target markets other than the large format printers market, namely display and entertainment.

It is likely that over time, the printers target market for Massivit will evolve and grow, especially with the expansion of the distribution network across North America. But as mentioned, at this point in time the initial traction that we get in the U.S. market is from other target markets.

III-2. Target Markets  
  
We can currently identify three key target markets for the Massivit product in North America :  
  
A. Printers  
  
The large format printers market is the primary target market in the Massivit business plan. The main application is three dimensional signs.

Carisma, the first customer in the U.S. was able to successfully generate healthy revenues from the Massivit system by producing molds for thermoforming of 3D signs for several advertising campaigns on buses (Angry Birds, Ghostbusters).  
  
There is no doubt that this target market has a significant potential for Massivit, but so far the first distributor in the U.S. – Prisco, which specializes in selling to printers, was not able to sell even a single Massivit system during the past year.

Massivit’s focus going forward will be to dramatically expand the sales efforts to the printers market through additional distributors (see chapter on distribution).  
  
B. Display  
  
This is a promising target market that is gaining traction for Massivit in North America.

This target market is for large 3D displays in retail stores and other venues (e.g. exhibitions, hotel lobbies, boardrooms).  
  
The key prospect customer that Massivit started to work with in this target market is Walmart. Obviously, the potential at Walmart is very big. We need to recognize that the development of such a mega-strategic account will take time.

We also had another customer in this segment – LBA, that purchased and installed a Massivit system. Unfortunately, the gap between the customer’s requirements and the current capabilities of the Massivit system was too wide. The customer is still very interested in the Massivit technology and will be receptive to getting a system when the Massivit system further evolves.

C. Entertainment  
  
This is another target market that is gaining traction for Massivit.  
  
This target market is for large 3D models for the movie industry and the theme parks industry.  
  
The first Massivit customer in this segment is a major provider to the big movie studios in Hollywood & Atlanta and is expected to get the Massivit system installed at the end of January 2017. This customer has already started to meet with the big studios to present Massivit samples. We have also received files for Massivit samples from one of the biggest studios in Hollywood.  
  
III-3. Sales Channels  
  
III.3.1 Distribution  
  
Massivit strategy in the North American market going forward is to build a broad multi channel network of distributors across North America.  
  
Current distributors :

Prisco  
  
As mentioned, Prisco was the distributor for Massivit in the U.S. since late 2015 and were not able to sell any Massivit system.  
  
Barring an unexpected turn of events, it seems unlikely that Prisco will continue as a Massivit distributor for the long term.  
  
NuSign Supply

NuSign has signed a distribution agreement in early September and was able to quickly generate sales of Massivit systems.

They are very strong in the entertainment industry and are moving quickly to expand their sales going into 2017. They also target the printers market.

New distributors :

Over the past 60 days we have made progress towards signing 2 additional highly qualified new distributors in the U.S.  
  
Oldham Group  
  
Oldham is a well establish distributor of large format printing equipment in the Midwest of the U.S.

Oldham has a long history of being an equipment provider to Walmart. They have introduced us to Walmart and are very excited about the opportunity for Massivit at Walmart.

We expect to finalize an agreement with Oldham in a meeting on 11/15.  
  
Global Imaging  
  
Global Imaging is a reputable distributor and manufacturer of large format printing equipment across the U.S.

We expect to finalize an agreement with Global Imaging in a meeting on 11/14.  
  
II.3.2 Direct Sales  
  
While the bulk of Massivit sales will come from distributors, in special scenarios, Massivit will engage in direct sales to specific accounts.

**Chapter IV – Eli Eldan – Highlights of Professional Qualifications**

* Twenty two years of successful track record in startup companies up until 2016.  
    
  The various start-up companies were in all the stages of the startup life cycle :  
    
  - Founding   
  - Early stage  
  - Late stage  
    
  The startup companies have reached financial success through IPO (e.g. Optrotech) or acquisitions ( e.g. P-cube acquired by Cisco).
* Extensive hands-on track record in direct sales, building distribution networks and channel management.  
    
  Examples (partial list) of distribution agreements/alliances that were personally closed. Many of these distribution agreements were closed as a small startup negotiating with a Fortune 1000 company :  
    
  U.S.  
  IBM  
  Accenture  
  Cisco  
  All Printing Resources (APR)  
    
  Europe  
  Ericsson  
  Siemens  
    
  Japan  
  NEC  
  Tokyo Electron  
    
  China  
  UTStarcom

Attachments (in separate files)  
  
1. Samples of communication with customers/prospects.

2. Examples of updates provided to Erez (partial list)