



## **Executive Summary**

### **What is Vizibid?**

Vizibid is going to revolutionize the way lawyers find and prepare their legal documents. Vizibid is a website that enables lawyers to find, request, and share model legal documents with other lawyers. Vizibid also enables lawyers to rate documents, write shared comments about the documents, and share revised versions of the documents. By collecting the documents, ratings, and comments that lawyers share with each other, Vizibid will have the world's first database of peer-generated model legal documents that is available to all lawyers. Vizibid will also have the fastest-growing database of lawyer-approved model legal documents in the world. Lawyers will quickly come to depend upon Vizibid every time they need a new model legal document for their practice.

### **Enormous Unmet Need**

In their daily law practices, lawyers regularly prepare legal documents, using model documents as a starting point for the polished legal documents they draft. Lawyers in large law firms generally have access to an in-house database of model documents. On the other hand, lawyers who are not in large firms generally do not have the time or resources to maintain large databases of model documents. These lawyers practice alone (solo), in small firms, and as in-house counsel for small and medium companies. They turn to a variety of expensive, time-consuming, and unreliable sources of model legal documents. In this respect, these lawyers have an enormous unmet need.

In the United States there are over 350,000 lawyers in solo practice or small law firms.<sup>1</sup> Some of these lawyers pay excessive subscription fees to access static databases of legal documents on Westlaw (westlaw.com). A subscription to Westlaw's legal form-finding service, for example, costs about \$150 per month, per lawyer, with a minimum two-year contract. While some lawyers can afford such a large financial commitment, many cannot. Alternatively, some of these lawyers rely on printed books of forms which cost anywhere from \$150 to \$1,000 per volume, some of which are available in law libraries. Like the model legal documents on Westlaw, the documents in printed form books quickly go out of date. As another option, some lawyers actually draft legal documents from scratch, especially when they cannot find a model document to use as a starting point. Going to the law library and drafting from scratch are both time-consuming and both create high costs that the lawyers have to justify to their clients.

Solo and small firm lawyers also often turn to less reliable sources of model legal documents. They may search for the document they want on Google, for example, which can occasionally yield a helpful result. Desperate lawyers will pay to download documents one-at-a-time, sight unseen, from websites that sell documents directly to lay consumers, such as nolo.com and uslegalforms.com. Sites like those are known for providing low-quality documents that are overpriced, and there is no way for lawyers to assess the quality of the documents on these websites until their prices have been paid. Solo and small firm lawyers also frequently ask their colleagues for model documents, which works very well as long as the colleagues actually have what the lawyers need. Lawyers' email list serves are abuzz across the nation with requests for model documents from solo and small firm lawyers.

## **Perfect Market Opportunity**

Taken together, these circumstances create a perfect market opportunity for Vizibid. Vizibid competes with each of the above methods of obtaining model legal documents by some combination of better pricing, higher document quality, and less effort required from the user. A Vizibid subscription will be priced well below the price of a Westlaw subscription or the cost of printed form books. For the cost of a Vizibid subscription, solo and small practice lawyers will gain 24-hour access to an ever-growing database of peer-generated and lawyer-approved model legal documents. This is a value proposition that no other company or service has ever offered to solo and small firm lawyers.

We have validated the willingness of solo and small firm lawyers to become paying users of the Vizibid service by conducting (and continuing to conduct) interviews with lawyers from various age groups and practice areas in Washington State. One after another, these potential customers have expressed giddy excitement about using the Vizibid service. These lawyers have nearly unanimously expressed their willingness to pay for Vizibid subscriptions, stating that they would expect to pay anywhere from \$20 to \$100 or more per month. In general, these lawyers have stated that they will be very willing to upload their documents to share with other lawyers. So far, each of these lawyers has also requested an invitation to join the service once Vizibid launches. As the momentum picks up, the need for fundraising to harness the momentum is growing.

## **Marketing and Growth Strategy**

We intend to market Vizibid's services through ad placement in a variety of existing channels. These include search engine marketing and placing ads in regularly disseminated print and web publications directed to lawyers, such as the very common monthly magazines printed by bar associations and hundreds of other lawyer organizations. We will also foster relationships with individuals who have already voluntarily adopted roles in educating lawyers on the various software tools available to improve the practice of law in solo law offices and small firms. These individuals include bar association employees, law school professors and employees, and leaders of legal organizations. We will also offer incentives to converted users for referring new users to Vizibid. We intend to offer new users a free 30-day subscription to encourage user acquisitions.

When the Vizibid service launches, there will already be a few hundred seed documents in the service's database. We will have obtained these documents from lawyers who voluntarily provide their model legal documents to Vizibid. Several lawyers have already committed to providing their collections of model documents to Vizibid.

Our first goal upon launching the Vizibid service will be to reach "good document flow" as quickly as possible. Good document flow will exist when Vizibid's existing users, as a whole, regularly upload new documents to the database such that the database is growing at a reasonable rate. We will prove that we can reach good document flow early on by initially offering the Vizibid service for free via a limited soft launch. Upon proving our model for reaching good document flow, we will release the service broadly and require that users pay a monthly subscription fee.

## **Financial Projections**

A Vizibid subscription will be priced in the range of \$20 to \$50 per month, per lawyer. Vizibid is able to offer its service at this highly competitive rate because of the low overhead associated with operating a web service when the content is primarily user-generated. The more users Vizibid has, the greater value Vizibid will provide to each user, and the more profit-per-user will be generated.

We have developed a five-year projection that assumes an initial funding of \$500,000 with a follow-on round of \$500,000 after one year, a \$25 per month subscription cost, and that we are able to capture approximately 10% of the addressable market within three years, then increase to 20% of the addressable market in the following two years. Vizibid will reach positive cash flow after 24 months of operations under this projection, as shown on the following table:

	Year 1	Year 2	Year 3	Year 4	Year 5
Number of Transactions	227	9536	160,118	517,913	729,863
Number of Subscribers	127	2,124	35,667	50,263	70,832
Revenues	\$5,663.00	\$238,394.00	\$4,002,962.00	\$12,947,830.00	\$18,246,581.00
Gross Profits	\$3,946.00	\$220,422.00	\$3,721,471.00	\$12,040,198.00	\$16,968,036.00
Total Expenses	(\$344,305.00)	(\$562,842.00)	(\$773,430.00)	(\$1,116,730.00)	(\$1,297,015.00)
Pre-tax profits	(\$340,359.00)	(\$342,420.00)	\$2,948,041.00	\$10,923,468.00	\$15,671,021.00

## The Founders

Vizibid was cofounded by Marc Beitchman and Forrest Carlson. Marc Beitchman is a professional software engineer at Microsoft with diverse development experience ranging from low-level computer architecture and compilers to application platforms and web services. At Vizibid, Marc is in charge of product and business strategy development. Marc will finish his master's degree in computer science and engineering from the University of Washington in June of this year. He received his bachelor's degree in computer science and music engineering from the University of Miami.

Forrest Carlson is a lawyer with a solo law practice in Seattle, Washington. As a practicing lawyer, he is intimately aware of lawyers' day-to-day operational needs. Forrest is excited about the many emerging possibilities in the realm of service technologies for lawyers, especially those that improve the experience of the practice of law while improving access to the justice system for people of all income levels. Vizibid is part of Forrest's vision for improvements to the legal profession through a more complete expression of the collective intelligence, training, and good will of lawyers. At Vizibid, Forrest drives the development of the customer experience, product design, and company vision. Forrest received his JD from Seattle University School of Law and his bachelor's degree from Seattle University.

<sup>1</sup> The American Bar Association (ABA) reports a total of 1,225,452 licensed attorneys in the United States as of April 2011. According to the ABA, the percentage of all licensed attorneys in private practice was 73% in 1991 and 74% in 2000; of those lawyers in private practice, 74% were in solo firms or firms with 20 lawyers or fewer in 1991, and 76% in 2000. Assuming the average of these percentages held true in April 2011, the ABA's figures show that there were approximately 675,530 solo and small firm lawyers in the United States at that time. (See [http://www.americanbar.org/content/dam/aba/migrated/marketresearch/PublicDocuments/lawyer\\_demographics\\_2011.authcheckdam.pdf](http://www.americanbar.org/content/dam/aba/migrated/marketresearch/PublicDocuments/lawyer_demographics_2011.authcheckdam.pdf).) Other sources suggest this number is lower. For example, the U.S. Bureau of Labor Statistics' Occupational Outlook Handbook puts the total number of lawyer jobs in the U.S. at 728,200 in 2010. (See <http://www.bls.gov/ooh/legal/lawyers.htm>.) The National Association of Law Placement reported in its August 2011 NALP Bulletin that 52.6% of male lawyers and 49.5% of female lawyers were in solo practice or firms with 25 lawyers or fewer in 2010. (See <http://www.nalp.org/employmentpatterns1999-2010>.) With these figures in mind, our estimate of 350,000 lawyers in solo or small practice firms is on the conservative end of the spectrum of available figures.