



**diliver**

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*Where Due Diligence Scores*

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# **Diliver Business Plan NDA Briefing**

May 2013

[www.diliver.com](http://www.diliver.com)

# Agenda



## Topics

## Slides

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# Executive Summary



# DiliVer Elevator Pitch



## Enterprise

- ❖ **Software Product Company:** Merger and Acquisition (M&A) Due Diligence Applications
- ❖ **Prospects:** M&A Community Buyers, Sellers, Deal Teams, and Their Intermediaries
- ❖ **Differentiators:** New Paradigm for Conducting M&A Due Diligence Enabled by Intellectual Property for Verticalization (Industry-Specific/Data-Driven), Electronic Scorecards, and Buyer/Seller Unification
- ❖ **Specialization Area:** Growth Positioning & Leveraging Solutions
- ❖ **Key Benefit:** Optimized Post-Transaction Results for the Combined Entities being Formed

## Business

- ❖ **Business Model:** Software Subscriptions, Variable Labor Rates, and Data Usage Fees
- ❖ **Market Opportunity:** \$2B+ Market/Year for M&A SW (General-Purpose/Process-Driven)
- ❖ **Competitors:** Enterprise M&A/VDR SW Companies & COTS SW Packages (All Indirect)
- ❖ **Financial Forecast:** In 5 Years, \$20M+ Revenue & \$9M+ EBITDA (45 FTEs/480 Clients)
- ❖ **Investment Request:** \$500K Seed (Year 1 Debt) + \$1.5M Early-Stage (Year 2 Equity)
- ❖ **Exit Strategy:** 5 Options for Getting Acquired (Beginning in Year 3/Break Even)

*Verticalized, Scorecard-Powered M&A Due Diligence Software for Optimized Post-Transaction Results*

# DiliVer Fact Sheet



- ❖ **Founded:** May 2013
- ❖ **Corporate Status:** Delaware LLC
- ❖ **Headquarters:** Baltimore, Maryland (Pending)
- ❖ **Sector/Sub-Sectors:** Commercial For-Profit/Mergers and Acquisitions
- ❖ **Industry/Sub-Industries:** Information Technology/Software/ Application Software



# Business Opportunity





# Business Challenge

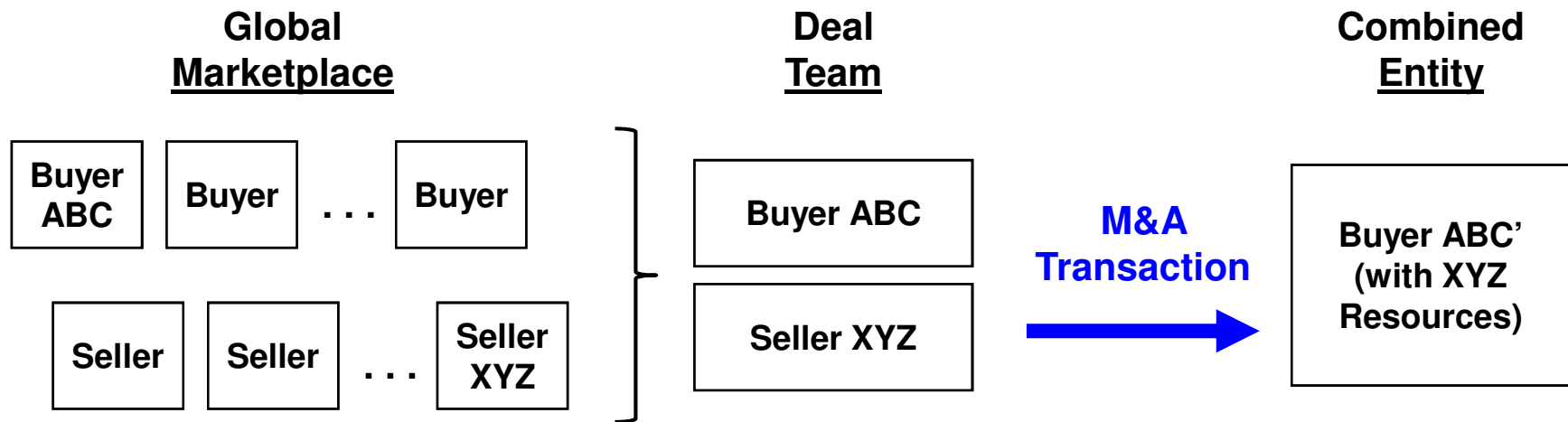


# ***The Problem: Lack of Post-M&A Transaction Success***





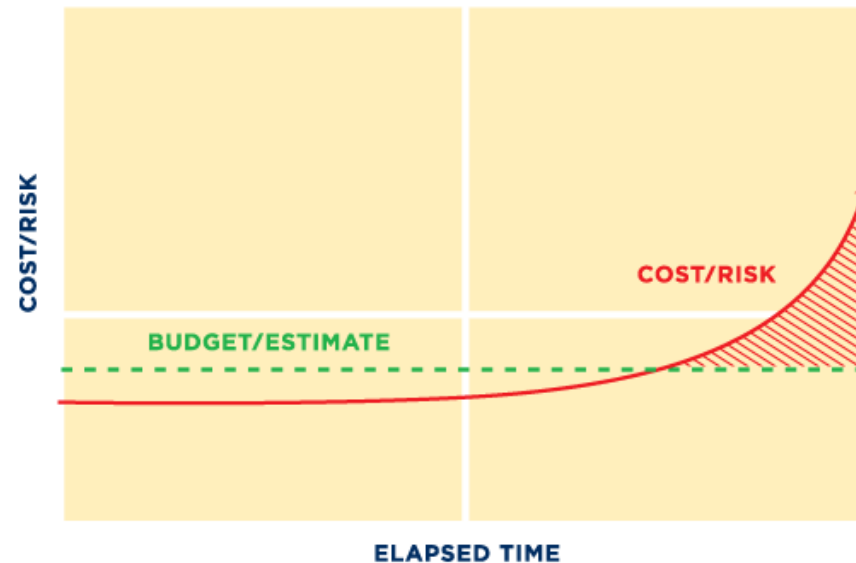
# Business Reasons for M&A Transactions



- Increasing Shareholder Value/Return-On-Investment (ROI)
- Expanding Market Share Through Sector/Industry Leadership
- Extending Geographic Coverage Regionally/Internationally
- Improving Core Competencies with Established Solution Offerings
- Creating New Specialization Areas for Differentiation

**NOTE:** The value of the combined entity formed should be greater than the summed values of the buyer and seller individually.

# The M&A Dilemma: $1 + 1 < 2$ (Need a Painkiller, Not a Vitamin!!)



*“...82% of all M&A transactions fail  
to drive value...”*

*PricewaterhouseCoopers*

*“...50% of M&A transactions erode  
shareholder value...”*

*McKinsey & Company*

*“...Revenue growth is found to decline post-merger for both  
the target and the acquiring firm in a majority of cases...”*

*Federal Trade Commission*

# Lack of Post-M&A Transaction Success: Macro & Micro Issues



## ❖ Macro Issues:

- Deal Size and Complexity
  - Many Companies/People Must Participate
  - Vast Amounts/Types of Documentation Must be Reviewed
  - Difficult, In-Depth Analysis Must be Performed
- Consistency of Advice Presented to Deal Team
  - Law Firms (Transactions, Intellectual Property)
  - Accounting Firms (Financial Statements)
  - Tax Firms (Tax Returns)
  - M&A Advisors (Market Research & Analysis, Due Diligence, Valuations)
  - Broker-Dealers (Stock/Bond Trades)
  - Banks (Loans, Lines of Credit, Checking Accounts)
  - Other Specialists

## ❖ Micro Issues:

- Time
- Expertise
- Transition
- Critical Data



# The Solution





# ***Some Help: Existing M&A Software Tools – General-Purpose and Process-Driven***



# Current M&A Application Software Market



- ❖ **Office Suites** – word processing, spreadsheet, graphics, database, email
- ❖ **Workflow** – automating best-practice business processes and data flow
- ❖ **Document Management** – cataloging and searching for distributed files
- ❖ **Project Management** – tracking work, schedule, resources, and costs
- ❖ **Contact Management** – centralizing customer/prospect demographics information with audit history
- ❖ **Virtual Data Rooms (VDRs)** – secure (“clean room”), deal-sensitive information repositories (e.g., Merrill DataSite, Intralinks, RR Donnelley, Deal Interactive)
- ❖ **“Enterprise M&A Software”** – a consolidation of many of the above functions (e.g., IBM/Valchemy, TX2/Group2, e-Know, M&A Partners, Angelsoft, ansarada, Brainloop, CapLinked)

# Market Opportunity (2007 Baseline)



**Top  
Down**

	Total Value of Deals	Value of M&A Services (3%)	Total Market for M&A Software (2%)
United States	\$2.0 Trillion	\$60 Billion	\$1.2 Billion
Global	\$4.0 Trillion	\$120 Billion	\$2.4 Billion

**Bottom  
Up  
(Small  
Sample)**

	Criteria	Total Number of US-Only Companies	Vertical Markets for M&A Software
Insurance Companies	Revenue Exceeds \$1B	78	\$19.5 Million
Law Firms	More Than 500 Attorneys	82	\$20.5 Million



***More Help Coming:  
New M&A Software Tools –  
Industry-Specific and Data-Driven***





# Next Generation of M&A Software Tools



*A fully-integrated product line of process-driven/horizontal market (“breadth”) and data-driven/vertical market (“depth”) M&A dealmaking tools that will not only monitor and track, but will help generate and analyze, the required transaction deliverables for the deal teams.....*

## **Common Deliverables**

- Business Case Justifications
- Due Dil. Compliance Materials
- Valuation Term Sheets
- Acquisition Proposals
- Letters of Understanding
- Definitive Agreements
- Settlement Papers

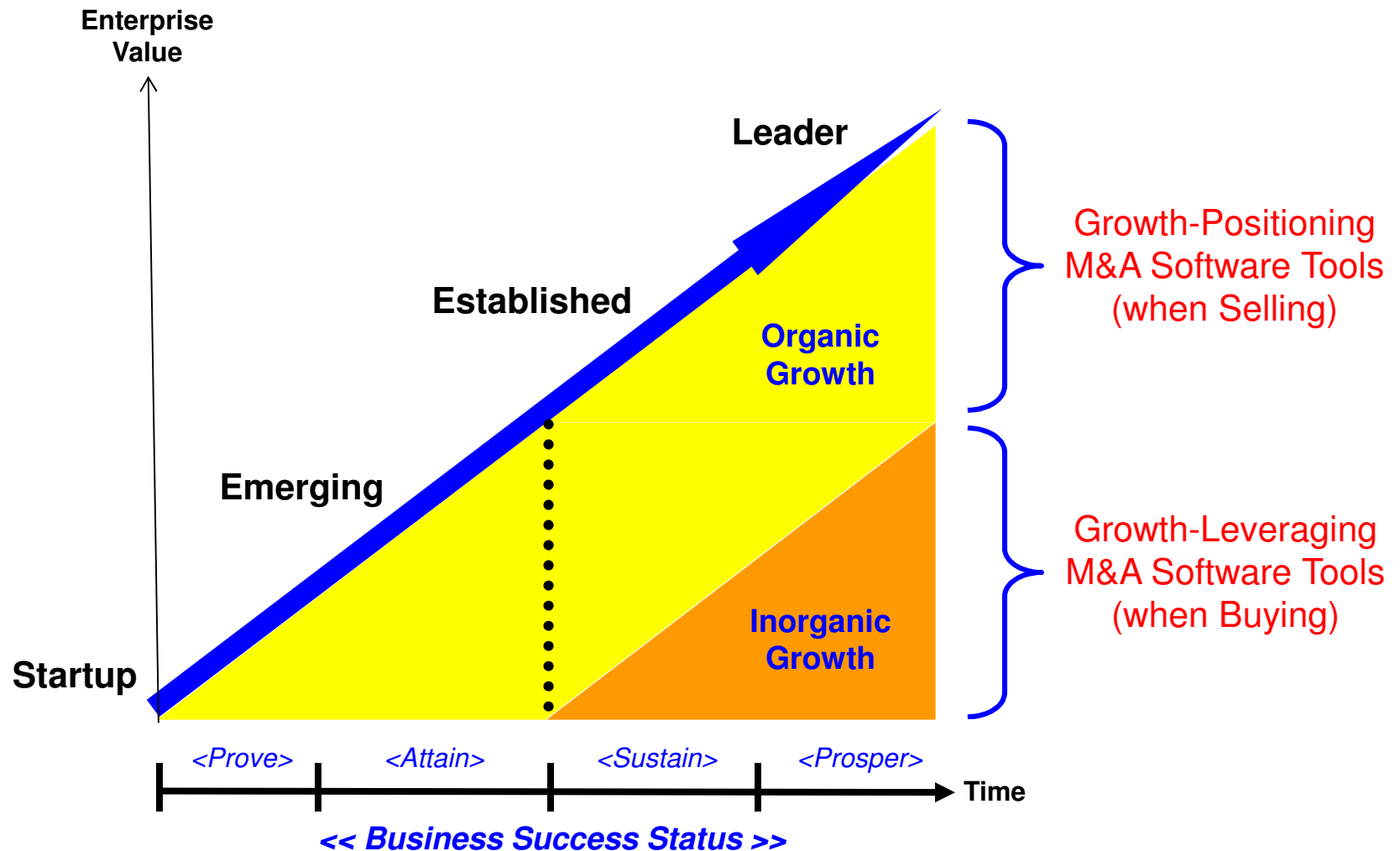
## **Today’s Enterprise M&A Software**

***Process-Driven/  
Horizontal Market Tools:***  
*Office Suites,  
Workflow,  
Document Management,  
Project Management,  
Contact Management,  
Virtual Data Rooms*

## **Future Software?**

***\*\* GAP \*\****  
***Data-Driven/  
Vertical Market Tools:***  
*Information Technology,  
Healthcare,  
Energy, etc.*

# Enterprise Growth Stages





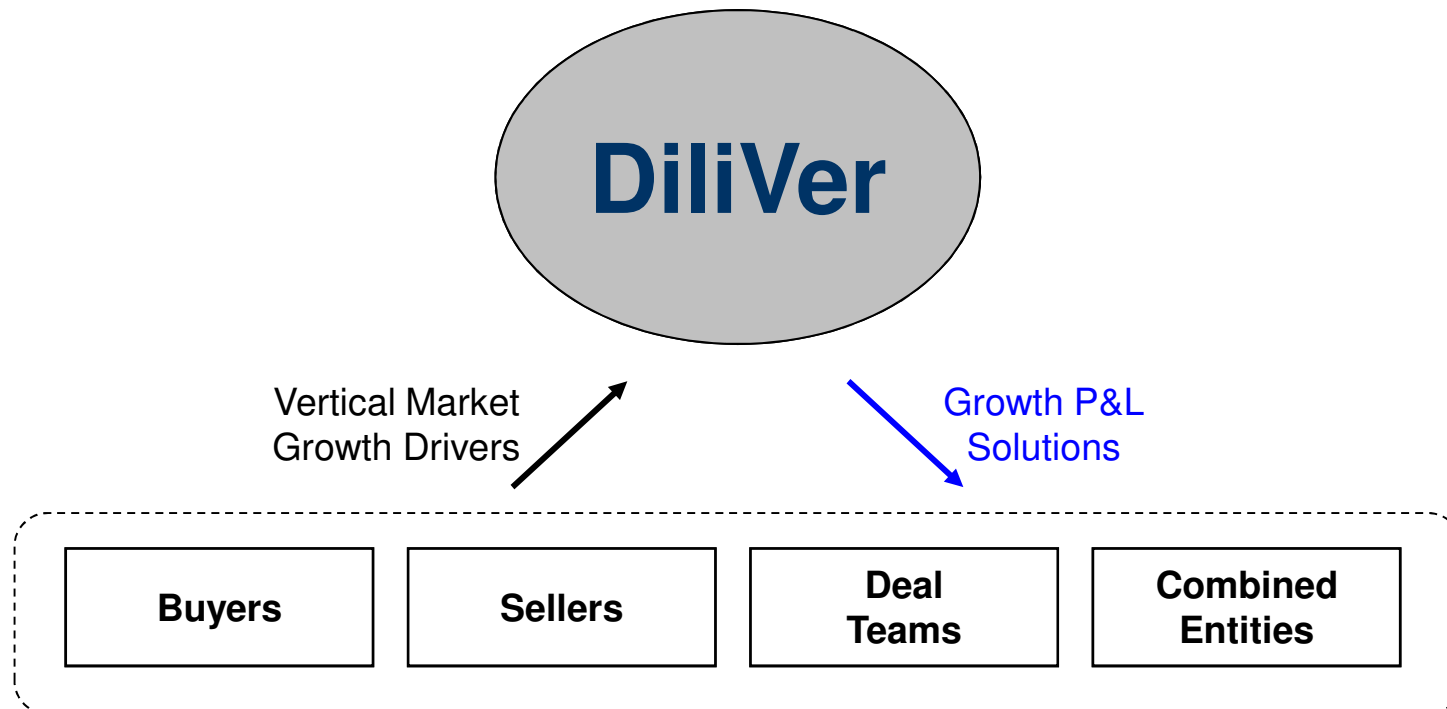
# Company Overview



## ***Vision & Mission***



# DiliVer Mission

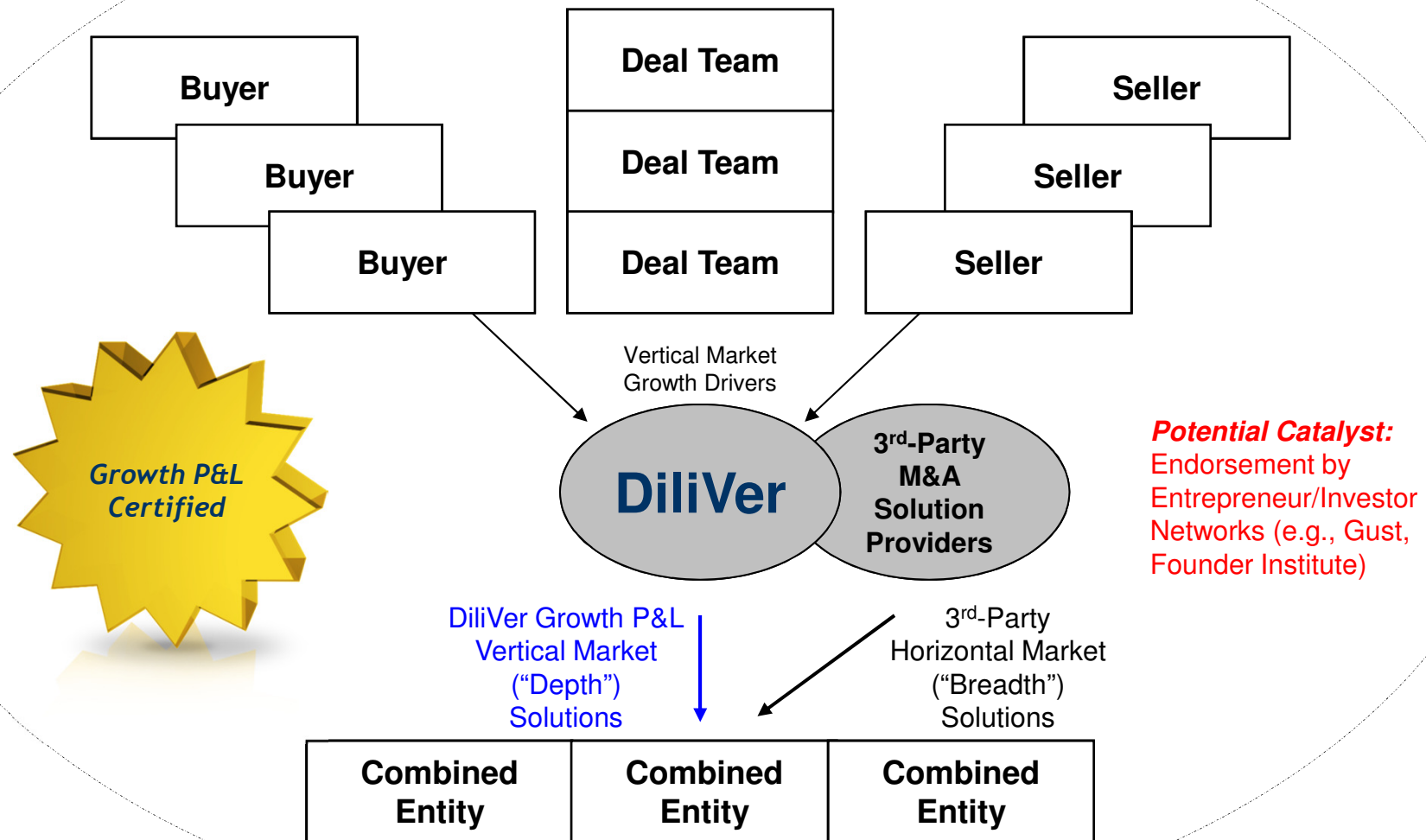


DiliVer LLC was founded with the mission to develop innovative **due diligence software** to help buyers, sellers, and deal teams in select vertical markets optimize the combined entities they are forming through M&A transactions. Our industry-specific, data-driven software products are complemented by professional consulting services and analytics data that collectively allow DiliVer to provide M&A growth positioning and leveraging (i.e., the new “P&L”) solutions to our customers.

# DiliVer Vision



## DiliVer Growth P&L Community



# Exit Strategy Options



- (1) Get Acquired by (or Possibly Merge with) by an Enterprise M&A Software Company to Germinate our Own *Growth P&L Community* (Starting with Two Companies)
- (2) Get Acquired by a Financial Buyer (e.g., Private Equity Firm) that can Lead a Consolidation Merger with Several Other Horizontal Market/Process-Driven M&A Software Companies (to Create a Larger *Growth P&L Community*)
- (3) Get Acquired by a Strategic Buyer (e.g., Big Technology Integrator) that Regularly Completes Multiple Small-to-Medium Transactions per Year (to Get Us off the Street)
- (4) Get Acquired by a VDR Software Company to Focus on M&A Due Diligence
- (5) Get Acquired by an M&A Data Analytics Company to Focus on M&A Market Statistics



# ***Branding & Intellectual Property***





# DiliVer Company, Solution & IP Branding



## (Company)

**DiliVer**™

[M&A Due Diligence Software for Vertical Markets]  
*“Where Due Diligence Scores”*

## (Software Products)

**MAST**™

[M&A Software Tools]  
*“Science for the Art of M&A”*

## (Consulting Services)

**BOOM**™

[Business Optimization Offerings for M&A]  
*“Aim Beyond the Deal”*

## (Analytics Data)

**SAILS**™

[Select Actionable Intel. for Legacy Statistics]  
*“Learn from the Deal”*

## (Intellectual Property)

**VERIFY**™ Enterprise Model

[Validating Enterprise Resources & Interfaces For Industry]  
*“Visibility Between the Lines”*

**DESTINY**™

Growth Positioning and Leveraging Solution Delivery Methodology  
[Deal Steps for Integration Synergy]  
*“P&L for M&A”*



# Solution Description





# Enterprise Model & Solution Delivery Methodology

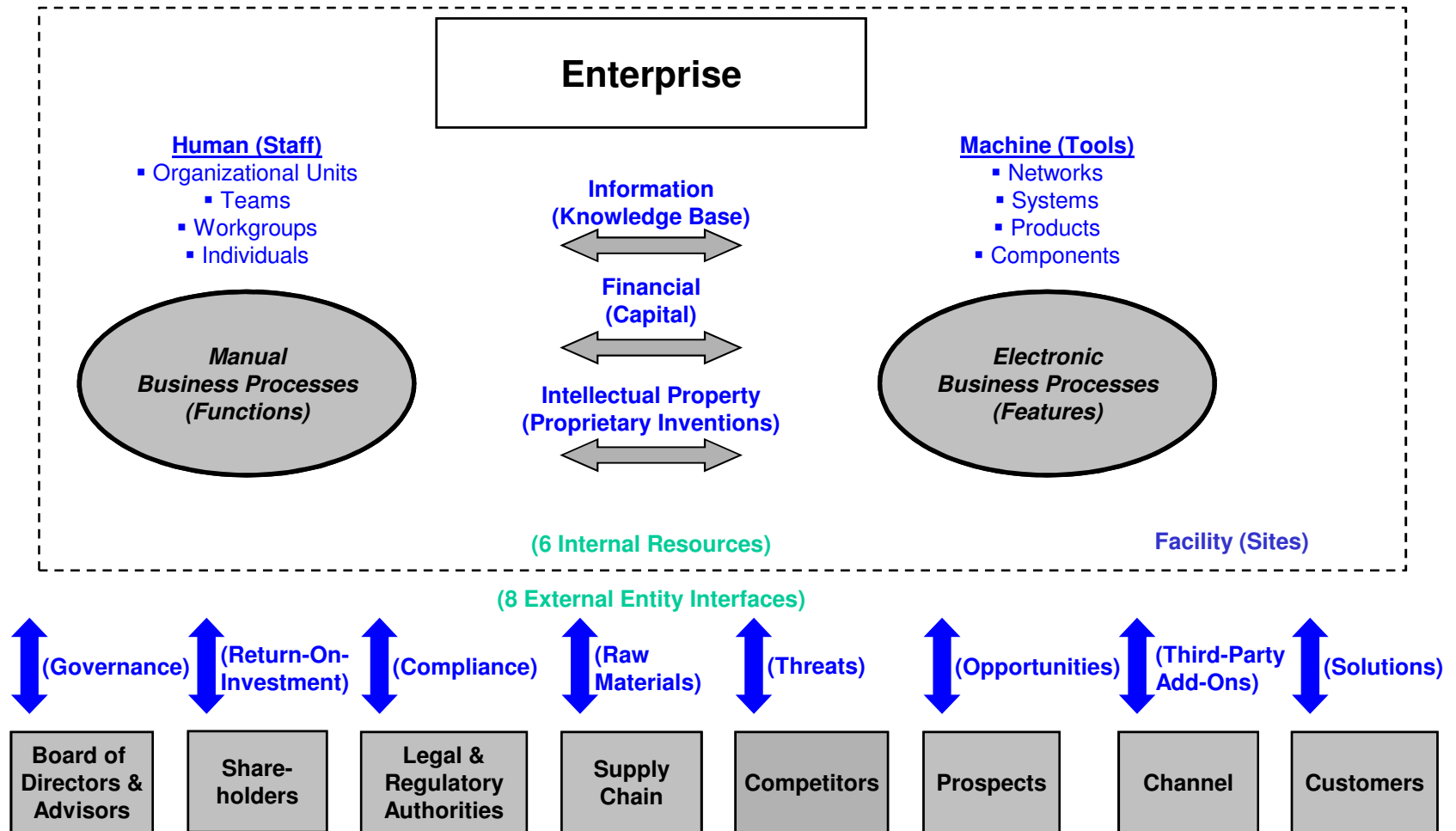




# ***VERIFy Enterprise Model ("Visibility Between the Lines")***



# VERIFy Enterprise Model: 14 Value Allocation Classifications (Window into the Data)



# M&A Due Diligence Scorecards (Keeping Score for the Deep Dive)



The 14 enterprise model internal resources and external entity interfaces may be used to create two types of electronic *scorecards* for due diligence ratings that help justify business valuations:

(1) *Buyer (External) Scorecard*—uses resources/interfaces as appraisal categories

(2) *Seller (Internal) Scorecard*—uses resources/interfaces as strategic goals

## **Appraisal Categories/ Strategic Goals**

### **Internal Resources:**

	<u>Score</u>	<u>Grade</u>	<u>Weight</u>	<u>Weighted Score</u>
Human Resources (Staff)	85.25	B	10%	8.53
Machine Resources (Tools)	88.50	B	5%	4.43
Information Resources (Knowledge Base)	77.75	C	5%	3.89
Financial Resources (Capital)	93.00	A	10%	9.30
Intellectual Property Resources (Proprietary Inventions)	88.25	B	10%	8.83
Facility Resources (Sites)	90.00	A	<u>5%</u>	<u>4.50</u>
			<b>45%</b>	<b>39.46</b>

### **External Entity Interfaces:**

Board of Directors & Advisors Interface (Governance)	59.25	D	5%	2.96
Shareholders Interface (Return-On-Investment)	85.00	B	5%	4.25
Legal & Regulatory Authorities Interface (Compliance)	89.00	B	5%	4.45
Supply Chain Interface (Raw Materials)	92.00	A	5%	4.60
Competitors Interface (Threats)	85.00	B	5%	8.50
Prospects Interface (Opportunities)	87.50	B	10%	4.38
Channel Interface (Third-Party Add-Ons)	93.00	A	5%	4.65
Customers Interface (Solutions)	91.00	A	<u>15%</u>	<u>13.65</u>
			<b>55%</b>	<b>47.44</b>

## **Sample Enterprise Scorecard**

Total  
Score  
86.90

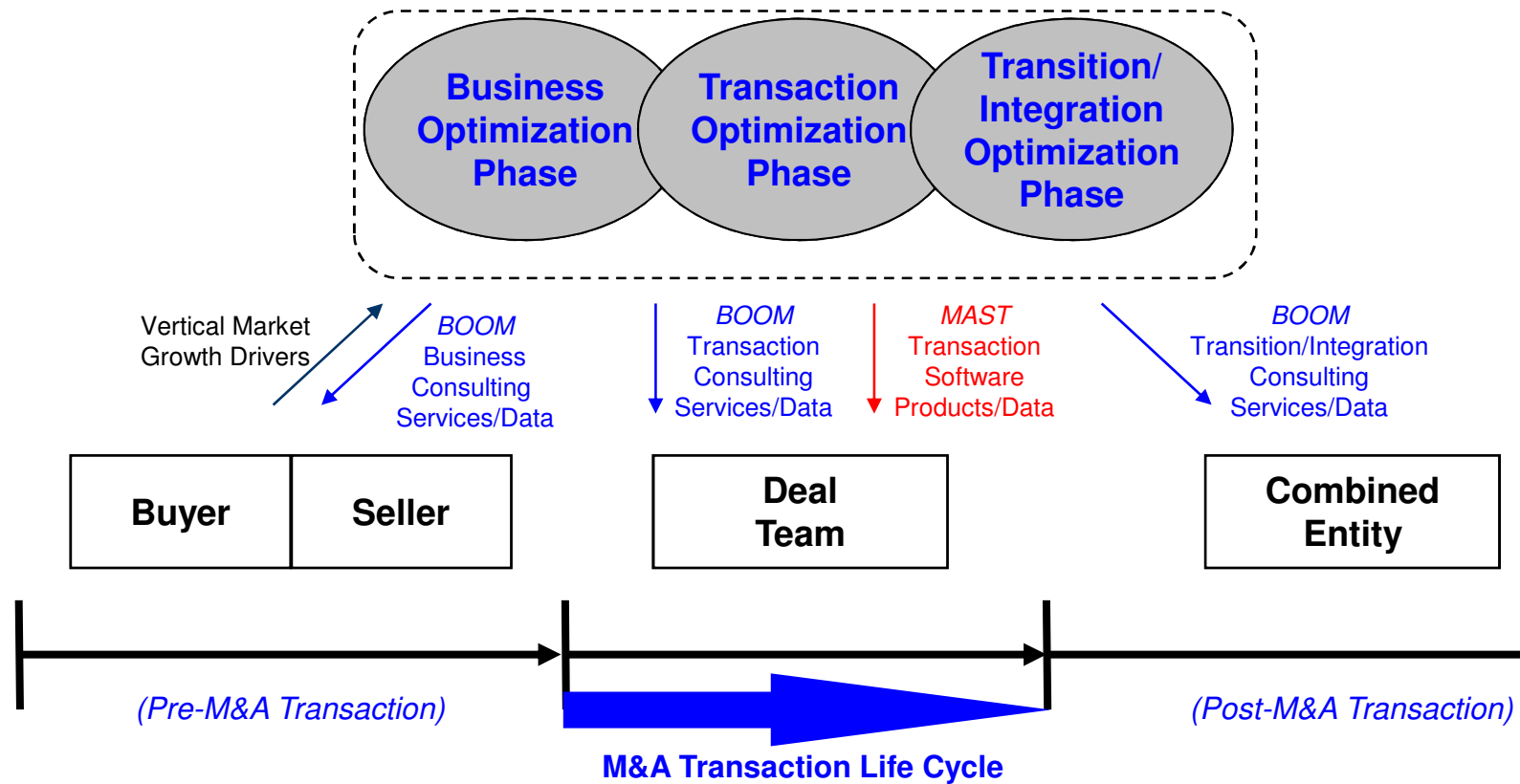
Total  
Grade  
B



# ***DESTINy Solution Delivery Methodology ("P&L for M&A")***



# DESTINY Solution Delivery Methodology





# Key Types of Vertical Market Growth Drivers



- ❖ *Entrepreneurship* – The enterprise should inspire aspirational leadership by establishing a risk-taking/reward-making business mindset.
- ❖ *Reinvestment* – The enterprise should make certain that its financial engine is a well lubricated machine that invests heavily, first and foremost, in itself.
- ❖ *Education* – The enterprise should attract and nurture a well-rounded global workforce of superstars with the right talent mix of theory and practice.
- ❖ *Collaboration* – The enterprise should ensure that its collection of tools seamlessly and securely links, and deeply engages, all of its ecosystem participants.
- ❖ *Innovation* – The enterprise should be the center for creative designers to dazzle in their specialization areas of choice.
- ❖ *Differentiation* – The enterprise should position itself in prosperous, uncontested market space for as long as possible, and then find the next space quickly.
- ❖ *Gratification* – The enterprise should strive for solutions that not only satisfy its customers, but which make an emotional connection with them, and thrill them.

# Growth Driver Organizational Examples



- ❖ **Entrepreneurship (Corporate):**
  - **Success Criteria Alignment & Assignment** (Strategy)
  - **Continuous Process Improvement** (Transformation)
- ❖ **Reinvestment (Finance):**
  - **Sufficient Funding & Reserves** (Accounting)
  - **Seamless Regulation Navigation** (Contracts)
- ❖ **Education (Administration):**
  - **Expertise & Experience Skills Leverage** (Personnel)
  - **Geographic & Cultural Inclusion** (Workplace)
- ❖ **Collaboration (Information Management):**
  - **On-Demand & Secure Mobility** (Infrastructure)
  - **Dynamic & Empirical Data Relevancy** (Content)
- ❖ **Innovation (Technology/R&D):**
  - **Scientific & Artistic Thought Leadership** (Centers)
  - **Sourcing Substitution Freedom** (Prototyping)
- ❖ **Differentiation (Business Development):**
  - **Uncontested Market Presence** (Marketing)
  - **Robust Lead Funnel** (Sales)
- ❖ **Gratification (Operations/Solution Delivery):**
  - **End User Personalization** (Offerings)
  - **Local Assistance Coverage** (Production)

# Growth Driver Examples Mapped to Enterprise Model Resources/Interfaces



## Internal Resources/External Interfaces

1. Human Resources (Staff)
2. Machine Resources (Tools)
3. Information Resources (Knowledge Base)
4. Financial Resources (Capital)
5. IP Resources (Proprietary Inventions)
6. Facility Resources (Sites)
7. Board of Directors Interface (Governance)
8. Shareholders Interface (ROI)
9. Legal & Reg. Auth. Interface (Compliance)
10. Supply Chain Interface (Raw Materials)
11. Competitors Interface (Threats)
12. Prospects Interface (Opportunities)
13. Channel Interface (Third-Party Add-Ons)
14. Customers Interface (Solutions)

## Growth Driver Examples

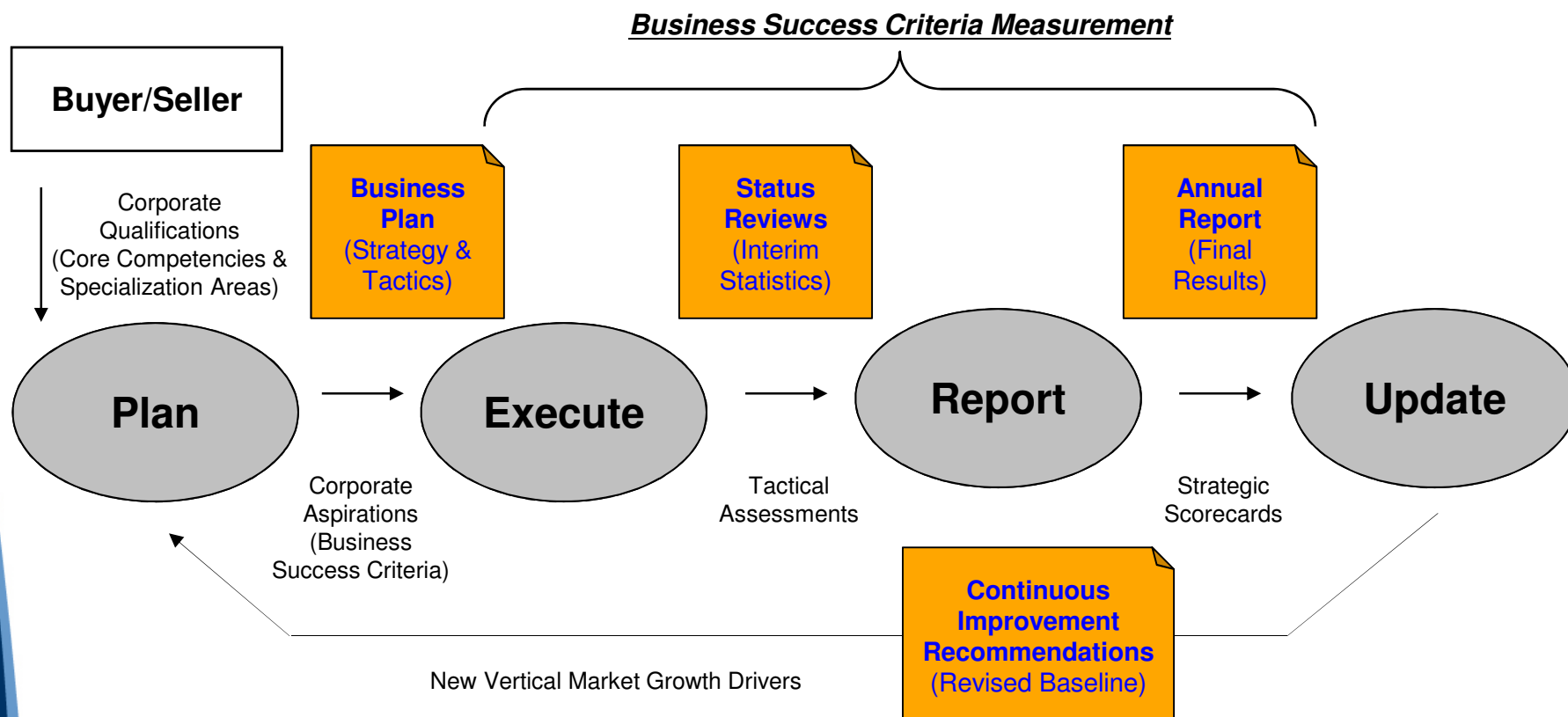
- ❖ Expertise & Experience Skills Leverage
- ❖ On-Demand & Secure Mobility
- ❖ Dynamic & Empirical Data Relevancy
- ❖ Sufficient Funding & Reserves
- ❖ Scientific & Artistic Thought Leadership
- ❖ Geographic & Cultural Inclusion
- ❖ Success Criteria Alignment & Assignment
- ❖ Continuous Process Improvement
- ❖ Seamless Regulation Navigation
- ❖ Sourcing Substitution Freedom
- ❖ Uncontested Market Presence
- ❖ Robust Lead Funnel
- ❖ Local Assistance Coverage
- ❖ End User Personalization

# Sample Growth Driver Metrics

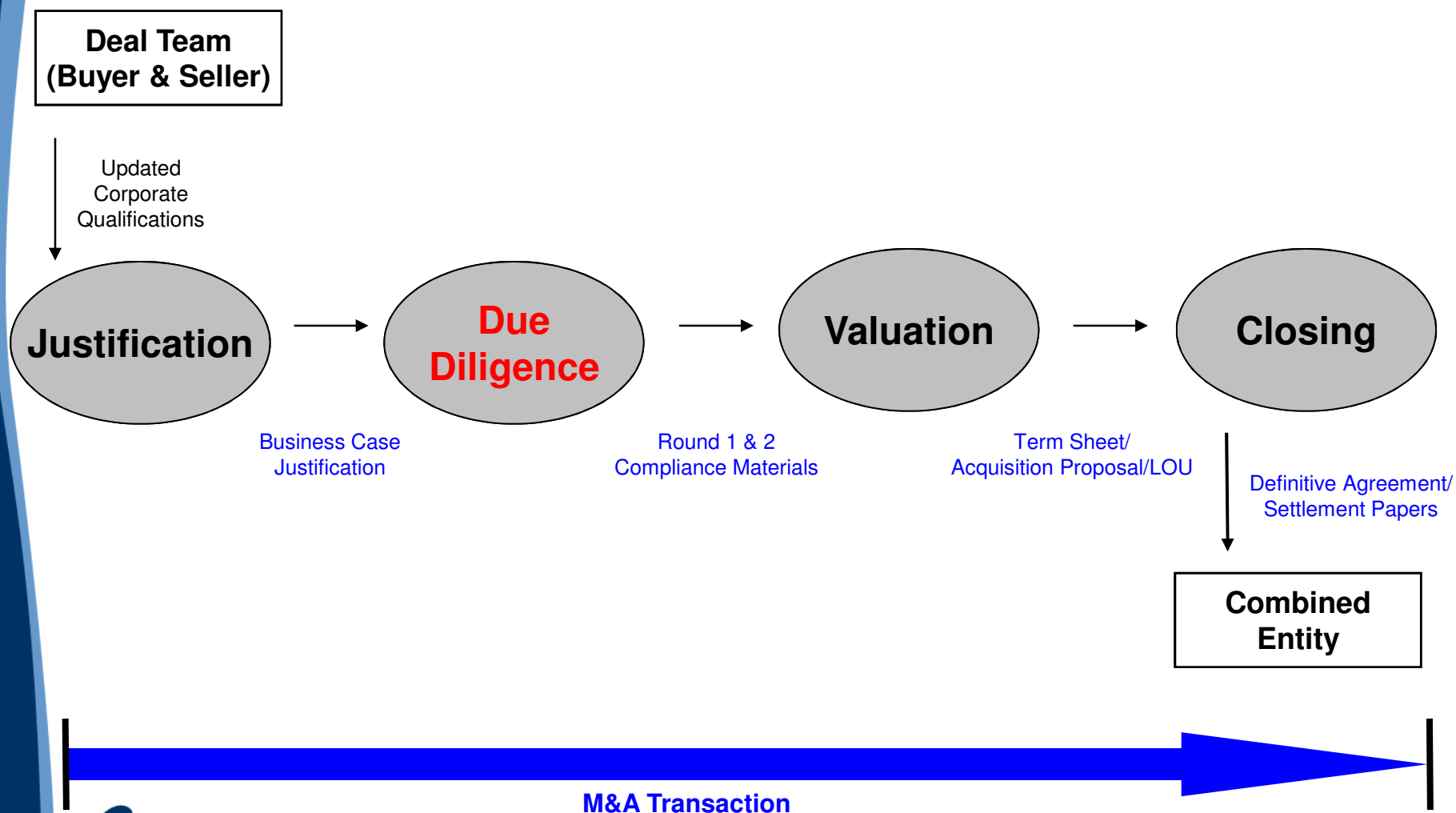


Growth Driver Examples	Appraisal Factors/Strategic Objectives [with KPIs (#, \$, %)]
Expertise & Experience Skills Leverage	College /University Degrees, Professional Training/Certifications, Specialized Sector/Industry Work, Career Development/Mentoring Programs, Employee/Contractor Staff Headcount
On-Demand & Secure Mobility	Wireless Access Accounts, Standard Corporate Applications, Private Social Networking Software, Performance Management Software, Project Management Software
Dynamic & Empirical Data Relevancy	Data Dictionary Process Entries, Enterprise-Wide Business Plan, Deliverable & Proposal Repository, Organizational Methodologies/Approaches, ISO 9001 Certification
Sufficient Funding & Reserves	Retained Earnings, Backlog, Revenue, EBITDA, Liquidity
Scientific & Artistic Thought Leadership	Filed Patents, Issued Patents, Issued Copyrights, Issued Trademarks, Sector/Industry Awards
Geographic & Cultural Inclusion	English-Speaking Countries, Virtual Office Policy, Continental Presence, US Regional Presence, US State & Local Community Presence
Success Criteria Alignment & Assignment	Business Excellence Framework, Organizational Structure, Organizational Roles & Responsibilities, Board/Committee Activism, Board Member Relevance
Continuous Process Improvement	Enterprise Valuation, Dividends, Price/Earnings Ratio, Earnings/Share Ratio, Revenue/Employee Ratio
Seamless Regulation Navigation	Audited Financial Statements, Sarbanes-Oxley Compliance, Payment Card Industry Data Security Standard Compliance, International Trade Agreements, Local Licenses & Permits
Sourcing Substitution Freedom	Hardware Manufacturing Secondary Sources, Software Development Secondary Sources, Consulting Services Sources, Data Aggregation Sources, Packaged Solution Sources
Uncontested Market Presence	Market Share, Sector Influence, Industry Influence, Geography Influence, Publications
Robust Lead Funnel	Sales Pipeline, Sales Forecast, Sales Budget, Close Rate, Recurring Sales
Local Assistance Coverage	Authorized Resellers, Add-On Product Partners, Add-On Service Partners, Production/Packaging Partners, Distribution/Fulfillment Partners,
End User Personalization	Customer Satisfaction Survey Results, Customer Case Studies/Testimonials/References, Product Configurability, Product Auto-Scalability, Product Self-Service

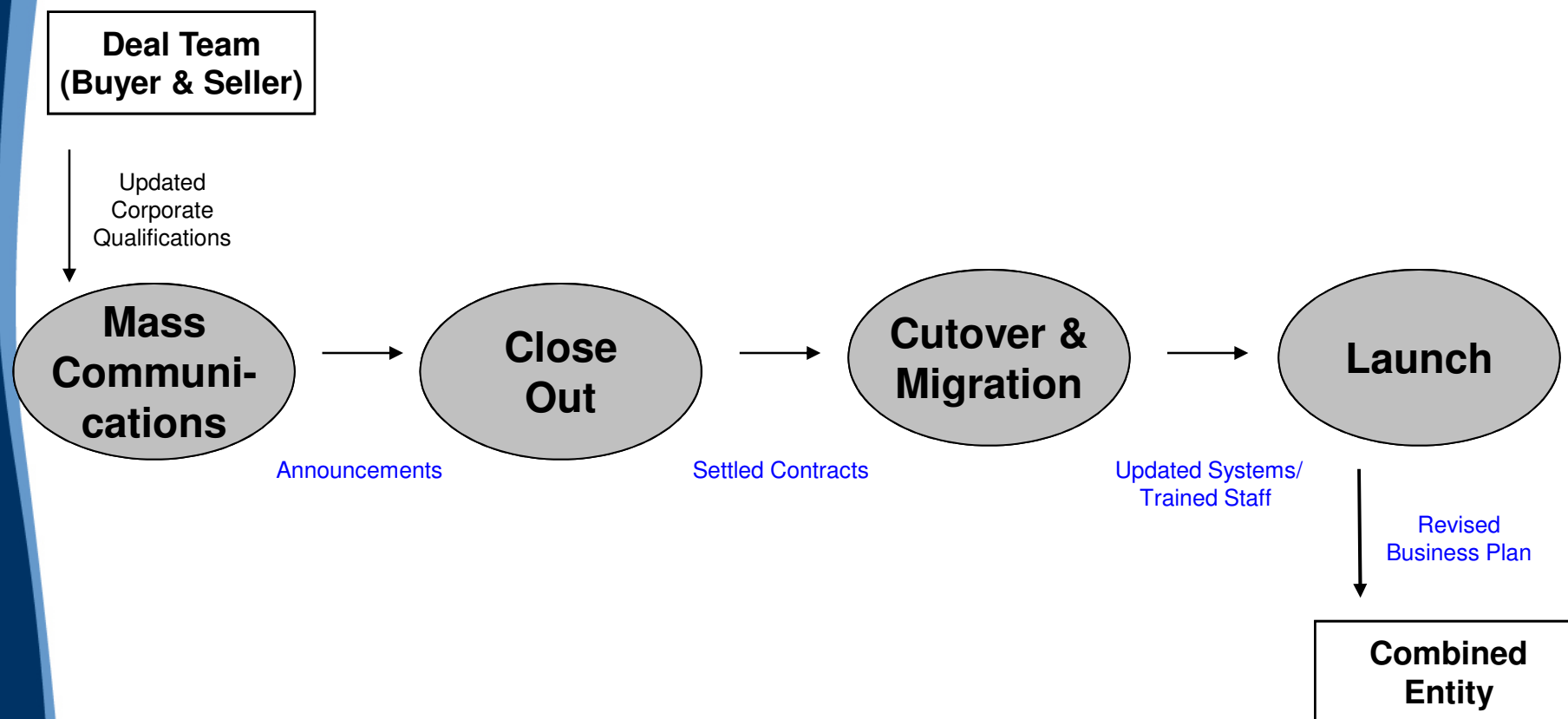
# Business Optimization Phase



# Transaction Optimization Phase



# Transition/Integration Optimization Phase





# Software Products







# ***MAST Software Products ("Science for the Art of M&A")***



# MAST Editions (3)



- ❖ *MAST* Buy-Side Due Diligence Application (BDDA)
- ❖ *MAST* Sell-Side Due Diligence Application (SDDA)
- ❖ *MAST* Unification Due Diligence Application (UDDA)

## NOTES:

- Software-as-a-Service (SaaS) Technical Implementation (Browser Access/Remotely Hosted)
- Ruby on Rails Product Development Environment
- HTML 5 Mobile Web Pages (Smartphone/Tablet Friendly)
- Each edition will be available as a DiliVer-hosted solution or as a synchronized “black box appliance” on-premise solution.

# MAST Vertical Market Templates & Domains (for Sellers)



## ❖ Information Technology:

- Product Company/Hardware
- Product Company/System Software
- Product Company/Application Software
  - Enterprise Software Platforms (CRM, ERP, EMS/AMS/DMS) with Add-Ons
  - Bio Tech, Biomedical Tech, Nano Tech, Healthcare Informatics
  - Clean Energy Tech, Green Tech
- Product Company/Variety of Products
- Service Company/Business Analysis
- Service Company/Network & System Integration
- Service Company/Custom Development
- Service Company/Variety of Services
- Hybrid Solutions Company

## ❖ Healthcare

## ❖ Energy

# MAST BDDA (Buy-Side Edition)



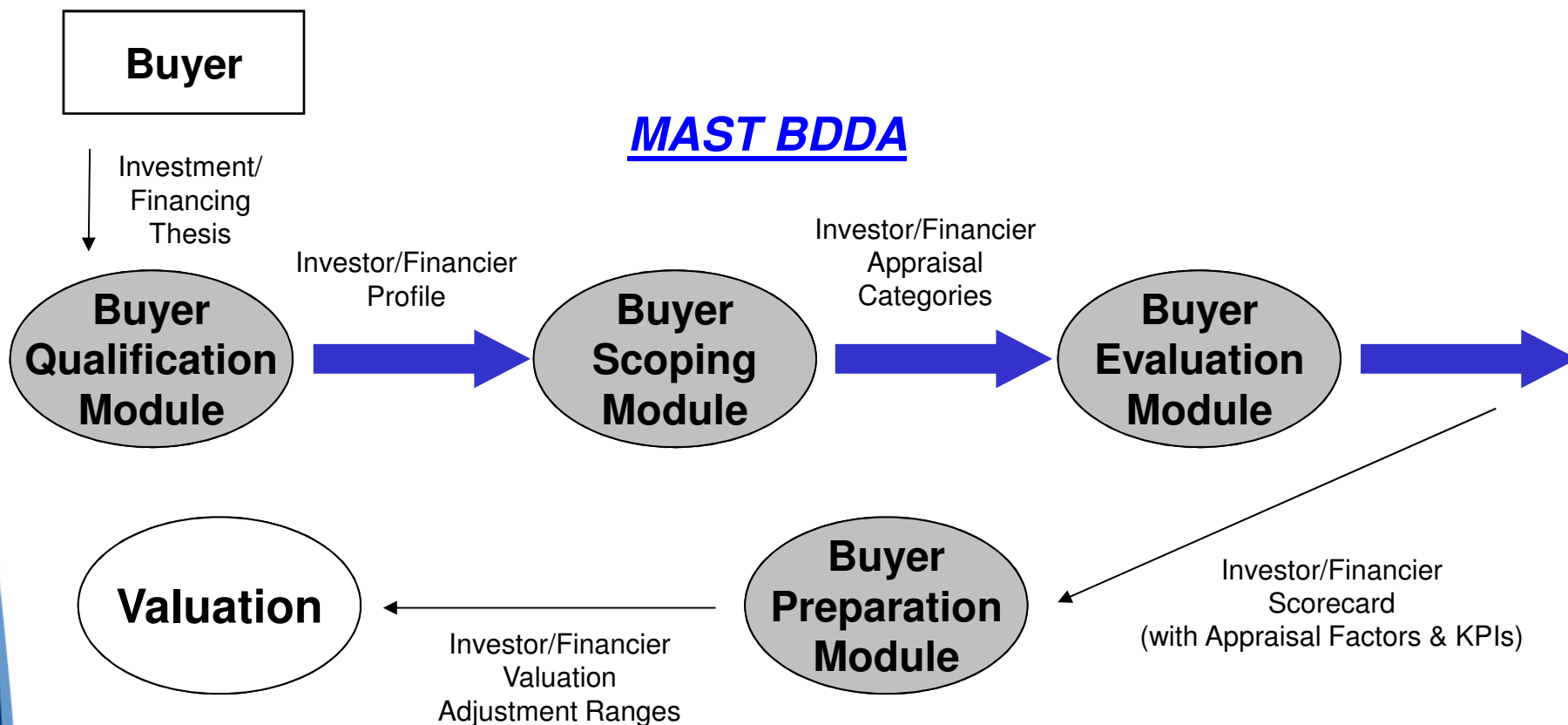
## ❖ **Buyer Perspective: A buyer wants to.....**

- Make a change in its status (and has the means to do so)
- Find and attract the “right” seller among a range of viable targets in the marketplace
- Pay the lowest possible price for that seller

## ❖ **Buyer Prospects:**

- **“Strategic buyers”** in the same or a related industry that wish to take operational control to begin realizing returns in the short term [NOTE: Typically have an internal Corporate Development group leading M&A transactions]
- **“Financial buyers”** making equity and/or debt investments that typically realize their ROI upon an exit transaction in the long term
  - Venture Capital Firm (Early-Stage/Mezzanine Funding)
  - Private Equity Firm (Late-Stage/Growth Funding)
  - Investment Bank (Initial Public Offering/IPO)
- **Buyer Intermediaries** – M&A advisors representing these strategic or financial buyers (to sellers)

# MAST Buy-Side Due Diligence Application (BDDA)



# MAST SDDA (Sell-Side Edition)



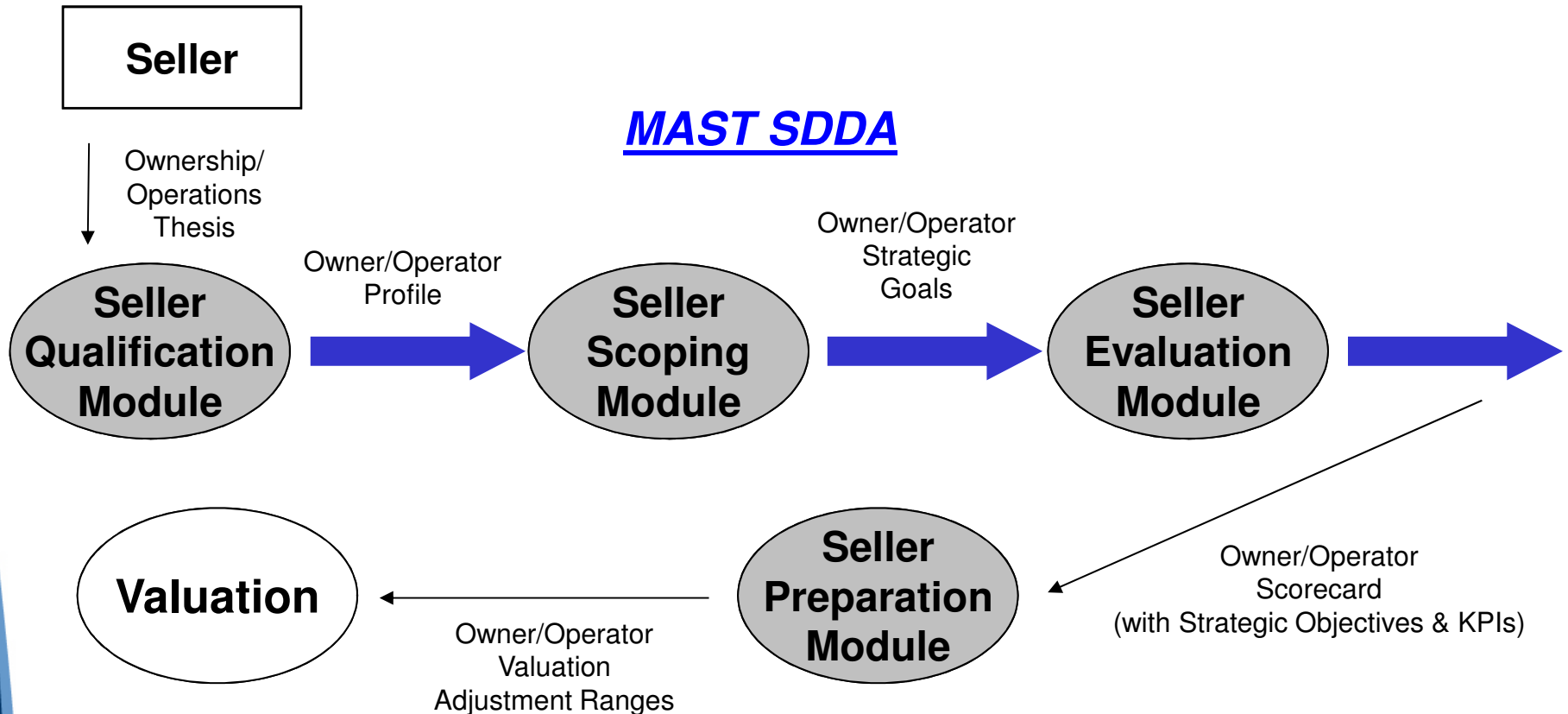
## ❖ Seller Perspective: A sellers wants to.....

- Make a change in its status (leveraging its track record of performance excellence)
- Promote its success well to find and attract the “right” buyer among a range of potential suitors in the marketplace
- Sell to the buyer for the highest possible price (that satisfies their exit strategy)

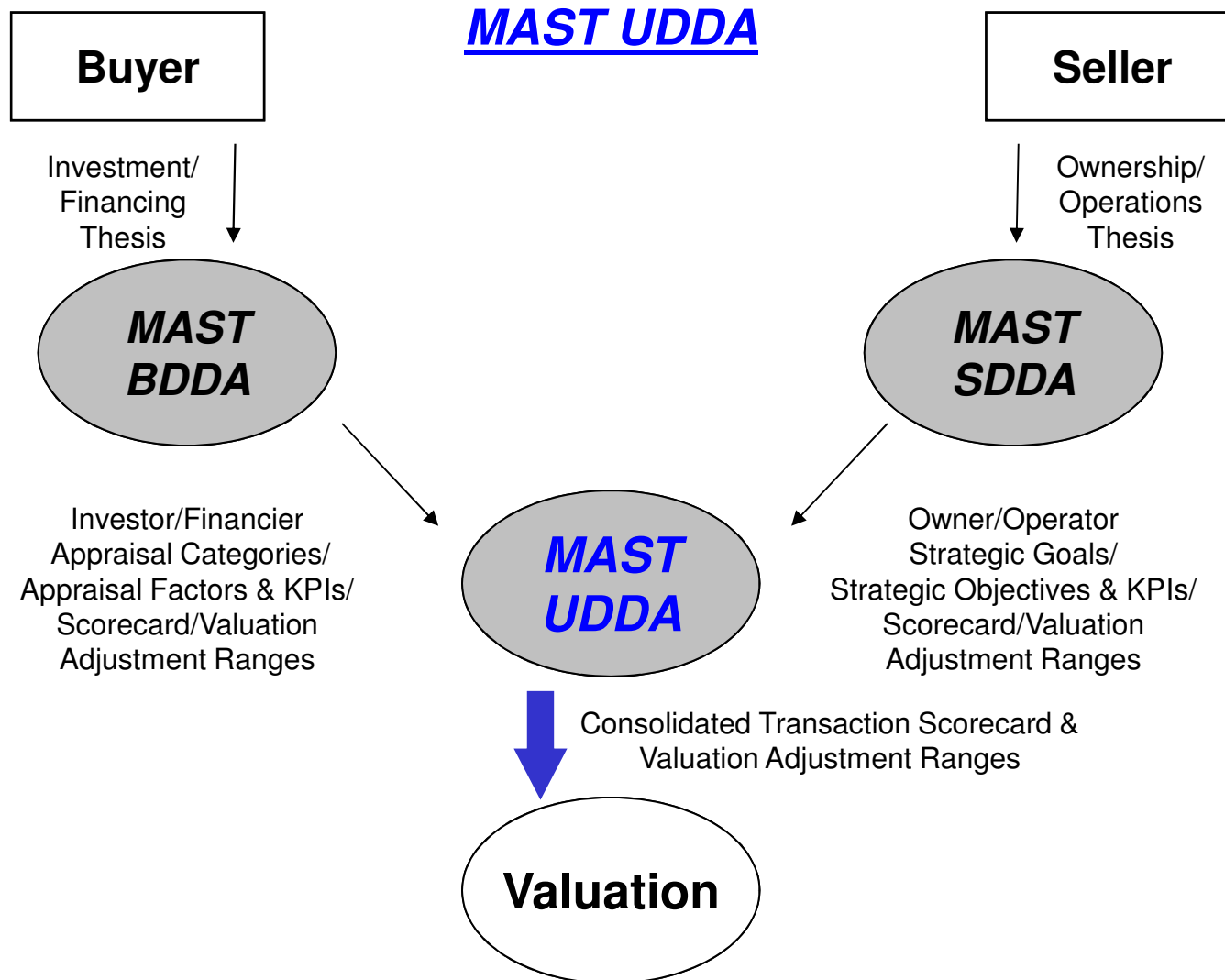
## ❖ Seller Prospects:

- **Day 1 Startups** – position themselves from inception to prepare for M&A as part of their exit strategy
- **Proven Companies Ready for M&A** – if definitely ready, attract buyers immediately and reduce transaction cost/time to them; if not quite ready, remediate known problems before proper repositioning
- **Seller Intermediaries** – M&A advisors representing these sellers (to buyers)

# MAST Sell-Side Due Diligence Application (SDDA)



# MAST Unification Due Diligence Application (UDDA)







# Consulting Services





# ***BOOM Consulting Services ("Aim Beyond the Deal")***



# BOOM Consulting Phases, Services & Standard MAST-Related Deliverables



## ❖ **Business Optimization Phase:**

- *Business Excellence Services* (Deliverables: Vertical Market Growth Drivers; Scorecard Template)

## ❖ **Transaction Optimization Phase:**

- *Due Diligence & Valuation Services* (Deliverables: Graded Scorecard; Valuation Adjustment Ranges)

## ❖ **Transition/Integration Phase:**

- *Cutover & Migration Services* (Deliverables: PMI Project Management Template; Combined Entity Recommendations)

# Auxiliary Services



- ❖ **Setup** (Installation, Configuration & Testing)
- ❖ **Conversion** (Data Migrations for Updates/Upgrades)
- ❖ **Training** (End User/System Administrator Education)
- ❖ **Customer Care** (24x7x365 Hotline)  
[NOTE: Included with SaaS Subscription Product Maintenance]



# Analytics Data



# ***SAILS Analytics Data*** ***(“Learn from the Deals”)***



# MAST-Generated Cumulative Scorecard Data



- ❖ ***Enterprise Outcome Analytics*** – business excellence statistics that will help executives evaluate the outcomes of the combined entities after they are formed
- ❖ ***Deal Flow Analytics*** – "white washed" market statistics that will help M&A analytics firms track the size and volume of initiated and completed transactions





# Organizational Structure







# Company Principles

# 6 Golden Rules



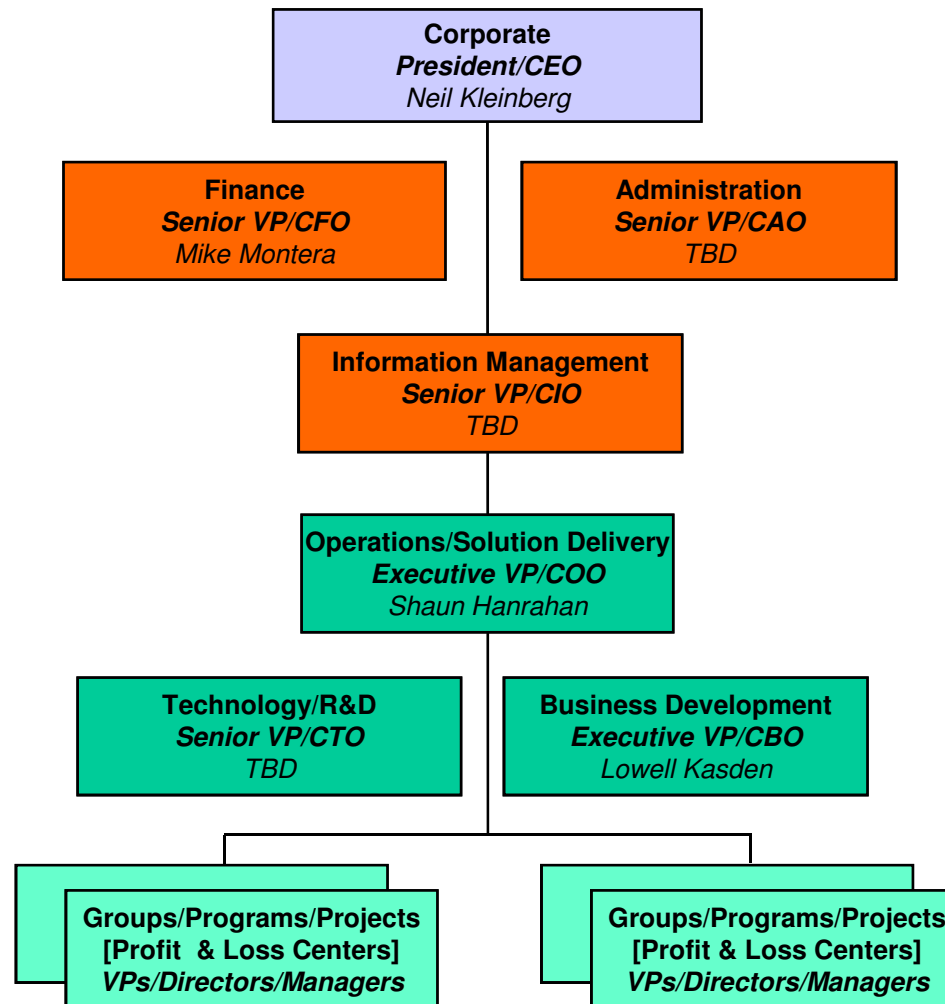
- ❖ **Rule 1: Take Care of the Customer**  
→ *Only then may everything else fall into place.*
- ❖ **Rule 2: Quality Counts Most**  
→ *Everyone is responsible for exceeding customer and internal expectations.*
- ❖ **Rule 3: Superstars or Potential Superstars**  
→ *Only the best and the brightest need apply.*
- ❖ **Rule 4: Best Idea Wins**  
→ *Learn from everyone and strive to continuously improve.*
- ❖ **Rule 5: Be Creative**  
→ *Innovate while using common sense and building from experience.*
- ❖ **Rule 6: Ask for Help**  
→ *It's OK to say "I don't know, but I'll find out." And then find out!*



# Leadership Team



# Organization Chart (Rock Stars)



# Mapping Organizational Unit Responsibility to Resources & Interfaces



<div>Organizational Units</div> <div>Internal Resources/ External Entity Interfaces</div>							
	Corporate	Finance	Admin	IM	Tech/R&D	Biz Dev	Ops/SD
Board Interface (Governance)	X						
Shareholders Interface (ROI)	X						
Financial Resources (Capital)		X					
Legal Interface (Compliance)		X					
Human Resources (Staff)			X				
Facility Resources (Sites)			X				
Machine Resources (Tools)				X			
Info. Resources (Know. Base)				X			
IP Resources (Prop. Inventions)					X		
Supply Interface (Raw Materials)					X		
Competitors Interface (Threats)						X	
Prosp. Interface (Opportunities)						X	
Channel Interface (Add-Ons)							X
Customers Interface (Solutions)							X

# Neil Kleinberg (CEO) Bio



- ❖ 25 Years as Entrepreneur, Executive, Management Consultant, and Lead Engineer in the Information Technology Industry
- ❖ As President, Successful Exit with VerticalFalls Software when Acquired by Sage in 2007; Founder in 2 Other High-Growth Startups (NTC, EIC)
- ❖ Currently Leading Corporate Development Buy-Side and Sell-Side M&A Activities at Enterprise Software Market Leader (ASI)
- ❖ Expertise includes M&A, Enterprise Application Software, Business Excellence Frameworks/Performance Measurement, Business Process Engineering, Network Integration, and Wireless Technologies
- ❖ Experience Spans Commercial and Government Sectors, as well as (in addition to IT) Financial Services, National Security, Healthcare, Judicial, Public Safety, and Telecommunications Industries
- ❖ Adjunct Professor at Johns Hopkins Carey Business School (Strategic Management and Entrepreneurial Finance); JHU Technology Commercialization Advisory Board Member for Intellectual Property
- ❖ MS Computer Science and BS Bioengineering from Johns Hopkins University

# Mike Montera (CFO) Bio



- ❖ 20 Years as Senior Financial Executive, Including CFO , VP Finance, Pricing Director, Compliance Manager, and Auditor
- ❖ Currently CFO for a Regional Construction Enterprise (GTB), Working with Small Businesses to Establish Basic Financial Controls, while Assisting with Strategic Business Development; CFO for Business Units of Global Telecommunications Company (British Telecom), Requiring Extensive International Finance and M&A Skills Leading a Global Network Infrastructure Build Out
- ❖ Expertise in Finance, Accounting, Audit, Contracts, Compliance, Operations, Mergers and Acquisitions, IPO Preparation, and Startup Company/Business Unit Launches
- ❖ Experience in Information Technology, Financial Services, Telecommunications, and Construction Industries
- ❖ MBA and BS Accounting from West Virginia University
- ❖ Certified Public Accountant

# Shaun Hanrahan (COO) Bio



- ❖ 30 Years as Executive, Solution Delivery Group Director, Channel Manager, Program/Project Manager, and Systems Integrator for Consulting Services Firms in the Information Technology Industry
- ❖ Most Recently Serving Large Clients in Business Transformation Management Consulting Roles with P&L, Governance, and Contract Compliance Responsibilities (Awarity, UNISYS, ePresence)
- ❖ Technology Expertise includes Enterprise Applications, Business Process Engineering, Enterprise Architecture, Network Integration, Identity & Access Management, and Emergency Management/Business Continuity Planning
- ❖ Experience Spans Commercial and Government Sectors, as well as Telecommunications, Energy/Oil/Gas, Transportation, Social Services, Financial Services, National Security, Healthcare, Judicial, Public Safety, Education, Legal, and Aerospace Industries
- ❖ BS/BA, Management Information Systems-Decision Science, Old Dominion University; Numerous Management/Technical Certifications



# Lowell Kasden (CBO) Bio



- ❖ 15 Years of Leadership Positions in Marketing, Sales, Corporate Development, and Product Management
- ❖ Currently Directing a Variety of Healthcare-Related Business Restructuring Programs for Maryland's Medicaid Medical Information Systems (BithGroup); Responsible for \$150M Portfolio of Workforce Performance and eLearning Products (RWD)
- ❖ Expertise includes Strategic Portfolio Product Roadmaps, Agile/Cross-Functional Product Development Teams, Product Launches, Go-to-Market Channel Partnerships, and Sales Capture Initiatives
- ❖ Experience Spans Commercial and Government Sectors, as well as Information Technology, Healthcare, Education, and Transportation industries
- ❖ MS Information Systems Technology and BBA Marketing/ International Business from George Washington University

# Executive Bios

Executive/ Background	Neil Kleinberg <i>CEO</i>	Mike Montera <i>CFO</i>	Shaun Hanrahan <i>COO</i>	Lowell Kasden <i>CBO</i>
<b>Experience</b>	25 Years as Entrepreneur, Executive, Management Consultant, and Lead Engineer in Information Technology Industry	20 Years as Senior Financial Executive, Including CFO , VP Finance, Pricing Director, Compliance Manager, and Auditor	30 Years as Executive, Solution Delivery Group Director, Channel/Program Manager, and Systems Integrator for Consulting Firms in IT Industry	15 Years of Leadership Positions in Marketing, Sales, Corporate Development, and Product Management in Variety of Industries
<b>Most Recently</b>	As President, Successful Exit with VerticalFalls Software when Acquired by Sage in 2007; Founder in 2 Other High-Growth Startups (NTC, EIC); Corporate Development Buy-Side/Sell-Side M&A with ASI; Adjunct Professor at Johns Hopkins Carey Business School; JHU IP Board Member	Currently CFO for a Regional Construction Enterprise (GTB); CFO for Business Units of Global Telecom Company (BT), Requiring Extensive International Finance and M&A Expertise	Serving Large Clients in Business Transformation Management Consulting Roles with P&L, Governance, and Contract Compliance Responsibilities (Awarity, UNISYS, ePresence)	Currently Directing a Variety of Healthcare-Related Business Restructuring Programs for Maryland's Medicaid Medical Information Systems (BithGroup); Responsible for \$150M Portfolio of Workforce Performance and eLearning Products (RWD)
<b>Specialization</b>	M&A, Enterprise Application Software, Business Excellence Frameworks/ Performance Measurement, Business Process Engineering, Network Integration, Wireless Technologies	Finance, Accounting, Audit, Contracts, Compliance, Operations, M&A, IPO Preparation, Startup Launches	Enterprise Applications, Business Process Engineering, Enterprise Architecture, Network Integration, Identity & Access Management, Business Continuity	Strategic Portfolio Product Roadmaps, Agile/Cross-Functional Product Development Teams, Product Launches, Go-to-Market Channel Partnerships, Sales Capture Initiatives
<b>Education</b>	MS, Computer Science, Johns Hopkins University; BS, Bioengineering, Johns Hopkins University	MBA and BS Accounting from West Virginia University; Certified Public Accountant	BS/BA, Management Information Systems- Decision Science, Old Dominion University	MS Information Systems Technology & BBA Marketing/ International Business; George Washington University



# Internal Resources & External Entity Interfaces



# Traction



## ❖ Board of Advisors:

- Mike Silva (Founder/CEO of KnuVu/Technology Development Firm)
- Neil Friend 1 (CEO of Intellectual Property Strategy Firm)
- Neil Friend 2 (VP BD of Forensic Intelligence Specialist Firm)
- Chairman of Community Bank
- CEO of Enterprise Software Company
- Director of Investment Bank
- Operating Partner of Private Equity Firm
- Venture Partner of Venture Capital Firm

## ❖ Partner Companies:

- DLA Piper Law Firm (Corporate Structuring & IP Protection)
- Commercial Bank (Corporate Checking & Credit Line)
- KnuVu (Software Product Developer)
- Orion Infosys (Outsourced IT Services Provider)
- TBD: Enterprise M&A Software Companies
- TBD: VDR Software Companies

# Corporate Headquarters (Pending)



DiliVer LLC  
Legg Mason Tower  
100 International Drive  
23rd Floor  
Baltimore, MD 21202  
TEL: 301-502-0220  
FAX: 301-560-8821  
WEBSITE: [www.diliver.com](http://www.diliver.com)



# Marketplace Positioning



# Summary of Competitive Analysis



- ❖ **Competition:** All IT industry software product companies that provide solutions to customers wishing to automate their M&A due diligence processes will be indirect competitors:
  - Enterprise M&A Software Companies (8+)
  - VDR Software Companies (4+)
  - COTS Package Software Companies (Hundreds of Product Companies; Thousands of Customized Solutions)
- ❖ **“Coopetition”:** After gain success, DiliVer may partner with one or more Enterprise M&A/VDR software companies (as a prelude to potential exit strategy acquisitions)
- ❖ **DiliVer Differentiators (New Paradigm):**
  - Verticalization (IP: Growth Positioning & Leveraging)
  - Scorecards (IP: Enterprise Model Visibility)
  - Unification (Buy-Side & Sell-Side)



# Performance Measurement





# We Practice What We Preach



DiliVer Business Plan Elements	Business Success Criteria <b>Alignment</b> (Visibility)	Organizational <b>Assignment</b> (Accountability)
<b>Strategic</b> <i>[Performance Mgmt Tools/ DiliVer Scorecards]</i>	Vision/Mission ↕	Enterprise ↔
	Goals ↕	Organizations ↔
	Objectives ↕	Offices/ Departments/Groups ↔
	Key Performance Indicators (KPIs) ↕	Programs ↔
<b>Tactical</b> <i>[Project Management Tools/ Microsoft Project]</i>	Requirements..... (Functions/Features)	Projects..... (Individual Activities)



# Financial Forecast & Investor Request



# General Forecast Assumptions



## ❖ **5-Year Plan for Enterprise Growth Stages:**

- *Year 1 – Startup* (Build Core Software Product, Protect Intellectual Property, Launch Vertical #1/Information Technology Beta Program)
- *Year 2 – Emerging* (Attain Success with IT)
- *Year 3 – Established* (Sustain Success with IT)
- *Year 4 – Market Leader* (Prosper with IT, Launch Vertical #2/Healthcare, and Initiate Enterprise Outcome/Deal Flow Analytics)
- *Year 5 – Market Leader* (Launch Vertical #3/Energy and Initiate P&L Growth Community)

## ❖ **Investment Funding (\$2M Total):**

- *Year 1: Seed Funding* of \$500K (Debt/Convertible Note)
- *Beginning of Year 2: Early-Stage Funding* of \$1,500,000 (Equity)

## ❖ **Exit Strategy**—Start to Consider M&A Options in Year 3 (After Break Even)

# Business Model: Solution Pricing Structure



## ❖ **Software Products Sales Revenue** (Recurring):

- *MAST BDDA/SDDA/UDDA* Subscriptions (Hosted, On-Premise), Including:
  - Unlimited Users
  - Vertical Market Template & Domain
  - Product Maintenance (Software Updates/Upgrades & Customer Care)

## ❖ **Consulting Services Sales Revenue** (Variable—Labor Rates Depend On Number of Deal Team Participants, Growth Drivers/Scorecard Questions, and Transaction Complexity):

- *BOOM* Optimization Phase Services (Business Excellence, Due Diligence & Valuation, and Migration & Cutover)
- Auxiliary Services (Setup, Conversion, Training)

## ❖ **Analytics Data Sales Revenue** (Variable—Depends on # Transactions and *SA/LS* Queries/Reports)

## ❖ **Solution Packages** (TBD):

- “Shallow Water” Engagement: Strategy Only
- “Deep Water” Engagement: Strategy + Tactics

# Forecast Summary (Draft V3)



## Yearly Growth Rates:

	<u>Yr 1</u>	<u>Yr 2</u>	<u>Yr 3</u>	<u>Yr 4</u>	<u>Yr 5</u>
<i>Revenue:</i>	\$310K	\$1,288K (315%)	\$3,972K (208%)	\$10,260K (158%)	\$20,916K (104%)
<i>EBITDA:</i>	-\$449K	-\$918K (N/A)	\$171K [Break Even]	\$3,183K (1,761%)	\$9,791K (208%)
<i>New Clients:</i>	10	40 (300%)	120 (200%)	240 (100%)	480 (100%)
<i>Headcount:</i>	7	12 (71%)	19 (58%)	33 (74%)	45 (36%)

# Use of Funds



## ❖ \$500K Seed Funding (Year 1):

- Build Core Product & Protect IP:
  - Basic Software Development (\$100K)
  - Enhanced Software Development (\$100K-\$150K)
  - Patents, Copyrights & Trademarks (\$25K-\$40K)
- Build Company Infrastructure & Launch Vertical #1/Information Technology Beta Program:
  - Key Management Consultants & Business Developers (\$125K-\$150K)
  - Internal IT Outsourcing (Lease) of Hosted Business Apps, Web Presence & eCommerce (\$50K-\$60K)
- Interest Payments (TBD)

## ❖ \$1.5M Early-Stage Funding (Years 2-5):

- Roll Out & Rapidly Grow Vertical #1/Information Technology (Years 2-3)
- Start to Consider M&A Options in Year 3 (After Break Even)
- Launch Vertical #2/Healthcare (Year 4) and Analytics
- Launch Vertical #3/Energy (Year 5) and P&L Growth Community



# Next Steps



# Action Items



- ❖ Incorporate as Delaware LLC (Federal ID Number)
- ❖ Commercial Bank Checking Account (Routing/Account Number)
- ❖ Virtual Office (Business Address & Phone Number)
- ❖ Email Address(es)
- ❖ Basic Website
- ❖ Business Cards
- ❖ Collateral Material
- ❖ Alfa Software GUI Screen Mockup
- ❖ Get Commitments from Board of Advisors & CXOs
- ❖ Complete Business Plan & Investor Package
- ❖ Secure Investors & Funds
- ❖ Law Firm (Protect Intellectual Property)
- ❖ Sign up Key Partners:
  - Production Software Product Developer
  - Outsourced IT Service Provider
- ❖ Opening Day...

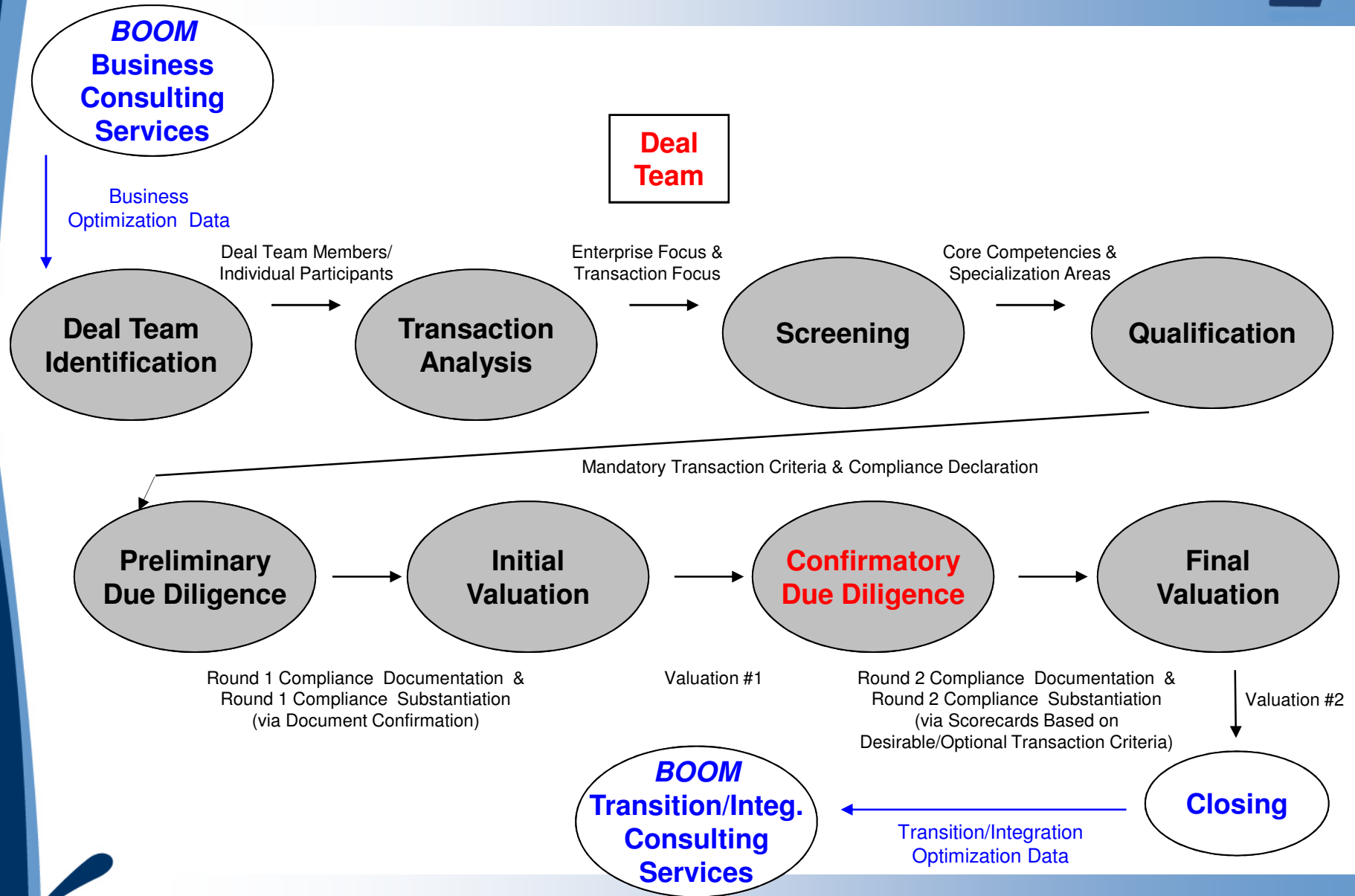




# Demonstration



# MAST Automated Processes & Key Outputs



# MAST Product Roadmap



## ❖ **Release 1 (Core SaaS Web & Mobile MDDA/SDDA):**

- Business Rules & Analytics Engine (IP Logic)
- Referenceable Compliance Documentation Repository
- Preliminary Due Diligence Self-Service Module
- Confirmatory Due Diligence Scorecards
- Valuation Adjustment Ranges
- Payment Gateways
- Standard Input Screens/Output Reports

## ❖ **Release 2 (Core SaaS Web & Mobile UDDA):**

- Comparator (Differences)
- Unification (Consolidation)

## ❖ **Release 3 (Variability Enhancements):**

- Sliding-Scale Scoring
- Custom Reporting

## ❖ **Release 4 (Secure Black Box Appliance)**

# Human Resources Buyer Scorecard (Sample)



<b>Human Resources Appraisal Factors (*)</b>	<b>Factor Weight</b>	<b>Factor Rating (**)</b>	<b>Factor Grade</b>	<b>Factor Score</b>	<b>Weighted Factor Score</b>
Factor 1	15%	2	B	85	12.75
Factor 2	5%	3	A	95	4.75
Factor 3	5%	2	B	85	4.25
Factor 4	5%	3	A	95	4.75
Factor 5	5%	2	B	85	4.25
Factor 6	5%	1	C	75	3.75
Factor 7	5%	2	B	85	4.25
Factor 8	5%	3	A	95	4.75
Factor 9	5%	3	A	95	4.75
Factor 10	5%	3	A	95	4.75
Factor 11	N/A	N/A	N/A	N/A	N/A
Factor 12	N/A	N/A	N/A	N/A	N/A
Factor 13	5%	3	A	95	4.75
Factor 14	5%	3	A	95	4.75
Factor 15	5%	3	A	95	4.75
Factor 16	5%	2	B	85	4.25
Factor 17	5%	3	A	95	4.75
Factor 18	5%	2	B	85	4.25
Factor 19	5%	0	F	0	0.00
Factor 20	<u>5%</u>	3	A	95	4.75
	100%				

\* Source Information  
(for Each Appraisal Factor):

- Edited by:
- Last Update:
- Sponsors:
- Standards:
- References:

**Total  
Category  
Score  
85.25**

**Total  
Category  
Grade  
B**

\*\* Factor Rating Scale  
(Grade/Score):

- 3 = Exceptional (A/95)
- 2 = Very Good (B/85)
- 1 = Average (C/75)
- 0 = Unacceptable/Absent (F/0)
- N/A = Non-Applicable

# Customers Interface Buyer Scorecard (Sample)



## Customers Interface Appraisal Factors (\*)

Factor	Factor Weight	Factor Rating (**)	Factor Grade	Factor Score	Weighted Factor Score
Factor 1	10%	3	A	95	9.50
Factor 2	10%	3	A	95	9.50
Factor 3	10%	3	A	95	9.50
Factor 4	10%	2	B	85	8.50
Factor 5	10%	2	B	85	8.50
Factor 6	10%	3	A	95	9.50
Factor 7	10%	2	B	85	8.50
Factor 8	10%	3	A	95	9.50
Factor 9	10%	2	B	85	8.50
Factor 10	10%	3	A	95	9.50
	100%				

\* Source Information  
(for Each Appraisal Factor):

- Edited by:
- Last Update:
- Sponsors:
- Standards:
- References:

**Total  
Category  
Score**  
**91.00**

**Total  
Category  
Grade**  
**A**

\*\* Factor Rating Scale  
(Grade/Score):

- 3 = Exceptional (A/95)
- 2 = Very Good (B/85)
- 1 = Average (C/75)
- 0 = Unacceptable/Absent (F/0)
- N/A = Non-Applicable

# Enterprise-Wide Buyer Scorecard (Sample)



<u>Appraisal Categories</u>	<u>Category Score</u>	<u>Category Grade</u>	<u>Category Weight</u>	<u>Weighted Category Score</u>	
<b>Internal Resources:</b>					
Human Resources	85.25	B	10%	8.53	}
Machine Resources	88.50	B	5%	4.43	
Information Resources	77.75	C	5%	3.89	
Financial Resources	93.00	A	10%	9.30	
Intellectual Property Resources	88.25	B	10%	8.83	
Facility Resources	90.00	A	5%	4.50	
			45%	39.46	
<b>External Entity Interfaces:</b>					
Board of Directors & Advisors Interface	59.25	D	5%	2.96	}
Shareholders Interface	85.00	B	5%	4.25	
Legal & Regulatory Authorities Interface	89.00	B	5%	4.45	
Supply Chain Interface	92.00	A	5%	4.60	
Competitors Interface	85.00	B	5%	8.50	
Prospects Interface	87.50	B	10%	4.38	
Channel Interface	93.00	A	5%	4.65	
Customers Interface	91.00	A	15%	13.65	
			55%	47.44	
					<div> <b>Total Enterprise Score</b>  <b>86.90</b> </div> <div> <b>Total Enterprise Grade</b>  <b>B</b> </div>



# Appendices





# Financial Statements





# Resumes





# References





# Letters of Recommendation





# Testimonials





# Collateral Material





# Demonstration

