

## BIZDAT EXECUTIVE SUMMARY – 10/16/00

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**The Company:** BizDat, Inc. is an Internet Business Services (IBS) provider delivering e-business and e-commerce solutions using its PowerGroups™ “intranet-style” service as the distribution channel for fee-based products and services. PowerGroups.com is currently the only web site that lets users communicate with all their groups in one integrated network.

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**The Opportunity:** Businesses, trade associations, nonprofit organizations, schools, clubs, and community groups need to interact, manage group activities and share information. Large businesses use “intranets” to improve corporate communications but these technologies are too expensive for small organizations. Smaller organizations need a cost-effective way in which to communicate and tap into the efficiencies and certain cost savings made possible by the Internet.

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**The Market:** A huge market exists for affordable “intranet-style” business solutions.

- > For year 2000, intranet servers are projected to almost equal internet servers. In the coming years, the growth in demand for intranet servers will be 10x greater than that for internet servers. (IDC)

E-business application service providers are expected to be among the hottest growth opportunities on the web.

- > B2B growth... \$109 billion in 1999 to \$2.7 trillion in 2004. (Forrester)

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**Our Solution:  
PowerGroups!** The idea for PowerGroups came from previous experiences BizDat’s founders had while developing “corporate intranets” for major corporations. They discovered a market exists for *affordable*, “intranet-style” web applications designed to meet the communications network needs of smaller organizations. Because of PowerGroups’ unique ability to share information across groups, businesses can use it as a corporate intranet for internal departments, and at the same time for regional offices, customers, and vendors. As the core product, PowerGroups offers its free services to build traffic, and also becomes a distribution channel for its premium subscription services, BizDat fee-based tools and other third party ASP solutions.

PowerGroups™ “Free Services”: For no cost, our customers have access to Unlimited Groups, Meetings, Contacts, Links, Email, Discussions, Documents, Polls and Reminders. The free service is designed to build traffic and serve as the distribution network for enhanced fee-based tools and services.

PowerShare™ Subscription Services: (year 2000) - This enhanced service complements the free service by delivering the unique benefit of “sharing” across groups. This feature sets PowerGroups apart from its competitors, making it truly functional as an integrated communications network. The monthly subscription charges for this service could deliver significant revenue for BizDat because fees scale with our user-base. Based on our research and user projections, we believe PowerShare alone could deliver over \$1 million/per month within 2 years.

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Re-Seller Licensing – BizDat is working on two levels of re-seller licensing that include Private Label Networks, and Content Group revenue sharing opportunities for both re-seller and Network Partners. This provides a source of non-dues revenues for partner organizations.

PowerTools “Fee-Based” Services: (year 2001) – These services (now under development) will be powerful web-based applications designed to attract adoption of PowerGroups by providing workgroup solutions that serve unique niche-based needs of business organizations.

Other Products and Services: PowerGroups will evolve as a distribution channel for other 3<sup>rd</sup> party ASP service offerings (i.e., accounting, human resources, word processing, etc.). We can partner with these vendors and offer their web-enabled ASP products through the PowerGroups web site. Other revenues will come from advertising, licensing, and “PowerShop” e-commerce offerings.

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**Competition:** Group sites of all kinds have been growing at a phenomenal rate. These sites are similar in many of their service offerings, but have a variety of different business strategies and target markets. Some target business, while others focus on family / personal interests.

- > Competitors include: Agillion.com, HotOffice.com, Visto.com, eGroups.com, eCircles.com, Intranets.com, etc.
- > eGroups.com was acquired by Yahoo for about \$430 million.

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**BizDat Advantage:** PowerGroups is currently the only service offering an “Integrated Network” that enables users to access, communicate, and share information with all their groups from one place. We call this service “PowerShare.” Competitors allow creation of multiple groups or intranets, but the groups are only accessible one-group-at-a-time. What we are creating is a network of intranets providing a single place where one can privately view and share information with all one’s groups. For example, an individual could view all the “Discussions” going on, in any combination of their groups, and work with them all from one page.

- > BizDat may pursue patent protection on its “PowerShare” technology.

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**Target Market(s):** Primary Target: Small businesses, trade associations, and nonprofit organizations with a mission-critical need to communicate with staff, members, and volunteers, or other interest groups. The goal is to build marketing channels within specific segments that will adopt the service as a necessary component of their business communications.

- > Non-Profits: 1.14M Organizations, 10.2M employees, \$621.4B  
(Non-Profit Almanac)
- > Small Businesses: 2.7M online by year end 2000, 21.4M employees  
(SBA, CyberAtlas)

Secondary Target: Viral growth from our established networks of business users will expand usage to the personal segment.

- > U.S.: Current 129.7M w/internet access, 81.6M active. (CyberAtlas)
- > Global: Current 259M, growing to 490M by 2002. (CyberAtlas)

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**Partners:** BizDat's Network Partner Program provides special benefits to relatively large organizations that integrate PowerGroups into their existing web sites and will support the service as a key communications network for their organizations. BizDat began integrating partners in April 2000.

Current partners include: Harvest Evangelism, a national religious organization that has a goal of reaching 3M user groups. Also, Wisconsin Counties Association, WI Association for Perinatal Care / Perinatal Foundation, and Pittsburgh Prayer Network. Currently in discussions with the Wisconsin State Bar, and United Way / Dane. Plans are to leverage these and other regional relationships into national affiliations.

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**Team:** Management – Founders, Gary Walker and Cindy Hoesly, owned and operated a marketing communications agency for over 14 years providing marketing, creative, database, web-site and intranet development services to their Fortune 100 consumer products clients.

Team – Current staff consists of 3 full-time and 3 part-time professionals with marketing, creative, database, web and intranet development expertise. Various members of the core team have worked with the founders for over 10 years.

Advisory Board – Consists of sales, marketing, business and academic professionals in leading national industries (like Rayovac, Kraft Foods, Honeywell, UW Business School, etc.). Management is also working closely with a Silicon Valley angel investor / consultant, who specializes in identifying promising Internet startups and working with management to build a successful business.

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**Current Projections:** These projections are based on PowerShare monthly subscriptions and site traffic growth estimates that compare with results some competitors have already obtained. Earnings for Re-Seller Licensing, PowerTools, 3<sup>rd</sup> party services and advertising are not yet included.

Year	2000	2001	2002	2003	2004
Site Traffic	---	1.0 M	5.7 M	12.4 M	16.6 M
Revenues	---	\$0.9 M	\$12.7 M	\$46.6 M	\$92.3 M
Expenses	(\$0.7 M)	(\$6.7 M)	(\$10.7 M)	(\$23.8 M)	(\$42.7 M)
Net Profit	(\$0.7 M)	(\$5.8 M)	\$2.0 M	\$22.8 M	\$49.6 M

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**Funding:** BizDat has already received \$410,000 in Series A funding. The company can sustain current operations for 6-12 months from consulting contracts and existing commitments for re-investments. However, it is now seeking up to \$250,00 in additional bridge funding to accelerate growth through enhanced revenue tool development, and to support partner alliances, and other operating costs. BizDat expects to seek approx. \$5-\$7 million in B round financing in the first half of 2001.

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**Exit Strategy:** Acquisition or IPO, within 2 – 3 years / 15x-20x Return On Investment