

**Company Profile:**

URL: vend*registry.c*m
Industry: ePr*curement
Empl*yees: 4F/T and 4P/T
F*unded: April 2012

Contact:

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Financial Information:

Funding Stage: Early
M*nthly Revenue: \$3K
Previ*us Capital: \$275K
Capital Seeking: \$1.25MM

Advisors:

Lewis Frazer

Current Investors:

Brian Str*ng
Wade Orl*ski
Chris Van Beke
Wintellect

VENDOR REGISTRY

Business Summary: Brian Str*ng and

Chris Van Beke partnered in September 2011 t* s*olve a maj*r pr*blem f*r vend*rs *f l*cal g*vernments. After seven m*nth* *f validating the market, Brian, Chris and a strategic devel*pmnt partner, Wintellect, f*rm* Vend*r Registry LLC in April 2012. Vend*r Registry makes l*cal g*vernment c*ntracting easier by standardizing and centralizing *nline vend*r registrati*n and bid n*tificati*ns. Easier pr*cesses mean m*re revenue f*r vend*rs and m*re bidders (and l*wer c*sts) f*r g*vernments in this \$500 billi*n marketplace. Alpha and Beta versi*ns *f the Vend*r Registry system were devel*ped and tested thr*ugh 2012. Vend*r Registry publicly launched in February 2013. Vend*r Registry currently is generating revenues, and 38 l*cal g*vernments have signed up t* use its vend*r registrati*n, management and bid n*tificati*ns system.

Management: Team members are rec*gnized in their fields *f expertise and have track rec*rds *f success. They have self-funded the company's devel*pmnt and *perati*ns t* date. Thus, they are able and m*tivated t* make Vend*r Registry a financial success.

Brian Str*ng, F*under & CEO, leads sales. Pri*r, he was Regi*nal Direct*r f*r Claris Netw*orks and the #1 salespers*n acr*ss a nati*nal c*ns*rtium *f 30+ managed service pr*viders. His success c*mes fr*m his expertise in pr*specting, sales behavi*r, and ability t* hire and devel*p sales talent.

Chris Van Beke, F*under & EVP, leads strategy and pr*duct. F*r 13 years, he helped start several s*ftware-based c*mpanies, leading pr*duct, partnerships and biz dev. He als* leads financing, having raised "\$10M in early-stage capital.

Rick Laney, VP, leads marketing and is a nati*nally rec*gnized marketing and PR expert. He has 20 years *f seni*r-level experience running all aspects *f marketing and c*mmunicati*ns f*r c*mpanies with >\$100MM in sales, including with a maj*r g*vernment c*ntract*r and a h*lding c*mpany where he p*siti*ned eight c*mpanies f*r acquisiti*n and IPO.

Wade Orl*ski, VP, leads *ps and cust*mer supp*rt. Pri*r, he was a partner in Claris Netw*orks, establishing pr*cesses t* manage client pr*jects as well as Claris' T*op 20 largest cl*ud in the US. He leads the bid n*tificati*ns team.

Customer Problem: Every day vend*rs must search 100s *f g*vernment sites, newspapers, and *ffice bulletin b*ards t* find bid *pp*rtunities with their regi*nal city, c*unty and *ther l*cal g*vernment entities (utilities, sch**l districts, universities). Unlike the Federal G*vernment that has a primary place t* p*st bids, the "90,000 US l*cal g*vernments all maintain their *wn registrati*n and bid n*tificati*n system, typically *n paper.

Rather than spend h*urs a day l**king f*r a needle in a haystack, businesses f*rg* these gualified sales *pp*rtunities. Our primary surveys sh*w that *f the 95% *f businesses that want t* sell t* their l*cal g*vernments, less than 5% are registered t* d* s*.

T** few bidders is a huge pr*blem f*r l*cal g*vernments wh* are *verpaying *n the estimated \$500Billi*n/yr in publicly bid and gu*t*ed purchases. C*mp*unding this problem, local governments' vendor registries are vastly *ut *f date because vend*rs ch**se n*t t* repeat the painful registrati*n pr*cesses just t* update an email address.

Product/Services: We view this as a netw*ркиng pr*blem. Learning fr*m the success *f LinkedIn®, Vend*r Registry has centralized and standardized bid n*tificati*ns and vend*r registrati*ns. First, a vend*r c*mpletes an *nline business pr*file. Based *n that pr*file, Vend*r Registry emails available bids that are relevant to the vendor's business. Saving h*urs a day, a vend*r simply checks its inb*x f*r new sales leads. The vend*r als* can register with any number *f l*cal g*vernments with *ne click!

Behind the scenes, Vendor Registry uses the profile information to satisfy the registration requirements of that particular local government.

Vendor Registry also provides local government buyers with a web-based solution for easily distributing bid notices as well as recruiting, registering and managing vendors. For many buyers, Vendor Registry is replacing three-ring binders and Excel spreadsheets. Like in LinkedIn® where you have your own contacts but are one click away from millions of new contacts, Vendor Registry allows buyers to manage their registered vendors online. Buyers also are just one click away from thousands of qualified, but unregistered, vendors in their back yard. Prior to Vendor Registry, buyers were limited to doing business with just those vendors that walked through their door.

Target Market: Vendor Registry competes within the broader \$5 billion eProcurement market. Our current addressable market for bid notifications services is \$700 million to \$1 billion annually.

Cust.mers: We sell to both the 90,000+ US local governments and the 2+million US-based businesses most likely to participate in local government contracting.

Sa1es/Marketing Strategy: We believe, if you give someone the solution to their pain, they will sell it for you. Therefore, local governments are key to our growth. We offer the basic version of our vendor registration and management system free to buyers. As the buyers' exclusive online vendor registry, we get access to all past and current vendors, and all new vendors are directed to the Vendor Registry system. We co-brand the registration process with the local government, which builds Vendor Registry's brand recognition and trust. This drives significant traffic to our bid notification service as well as gives us a captive and qualified audience for direct marketing. As a result, we significantly reduce our cost of customer acquisition.

We also target vendors directly. We partner with established business networks (including chambers of commerce, business networking groups, industry affiliations, etc.) to direct more prospective vendors to our web site. In exchange for direct marketing, we offer a referral fee to the business organization as well as a discount to the vendor member. We also leverage conferences, trade shows, and local government contracting seminars to reach a larger audience of prospective vendors.

Business M.de1: Our revenue model is recurring and straightforward. Starting at just \$29/month, vendors receive relevant, qualified sales leads from hundreds of local government buyers. In addition, Vendor Registry also charges \$19/yr for each vendor registration we facilitate with our industry-unique One-Click Registration. While we currently do not charge local governments for our system, we do anticipate charging premiums for additional features and services that our local government customers already are requesting.

C.mpetit.rs: While we have not identified a competitor that uses one solution to solve both the vendors' and the buyers' pain points, there are a few categories of competition. First, there are the "silos," or major ERP i.e. SAP and Oracle, that provide an after-thought vendor management module. These modules keep vendor lists in silos (and out-of-date) and do not help buyers recruit new bidders. These systems offer little value to vendors.

Second, there are the "screen scrapers," which are services that scrape government web sites (primarily Federal and State) for bid information and then redistribute via email. These services miss most of the local government bids because they are not posted online. These services offer little value to buyers.

Third, there are a few competitors that are focusing on niche markets, such as construction bids (Dodge Report, Knoxville Builders Exchange) and hospital vendor registrations (VendorMate). None of these solutions offer significant value to both buyers and vendors.

Last, and in a category of its own, Ariba is a significant competitor as they have built a nationwide registry of vendors. However, we have met with several entities that have left or do not want to work with Ariba. It is a very expensive solution for both buyer and vendor, and Ariba - not the customer = owns the vendor records.

Company Name	Financials (\$000s)	2013	2014	2015
	Revenues	48	772	5,144
	Expenditures	151	948	3,582
	Net	(103)	(176)	1,562

