



# Leader<sup>TM</sup>

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# Battelle-Leader Agenda

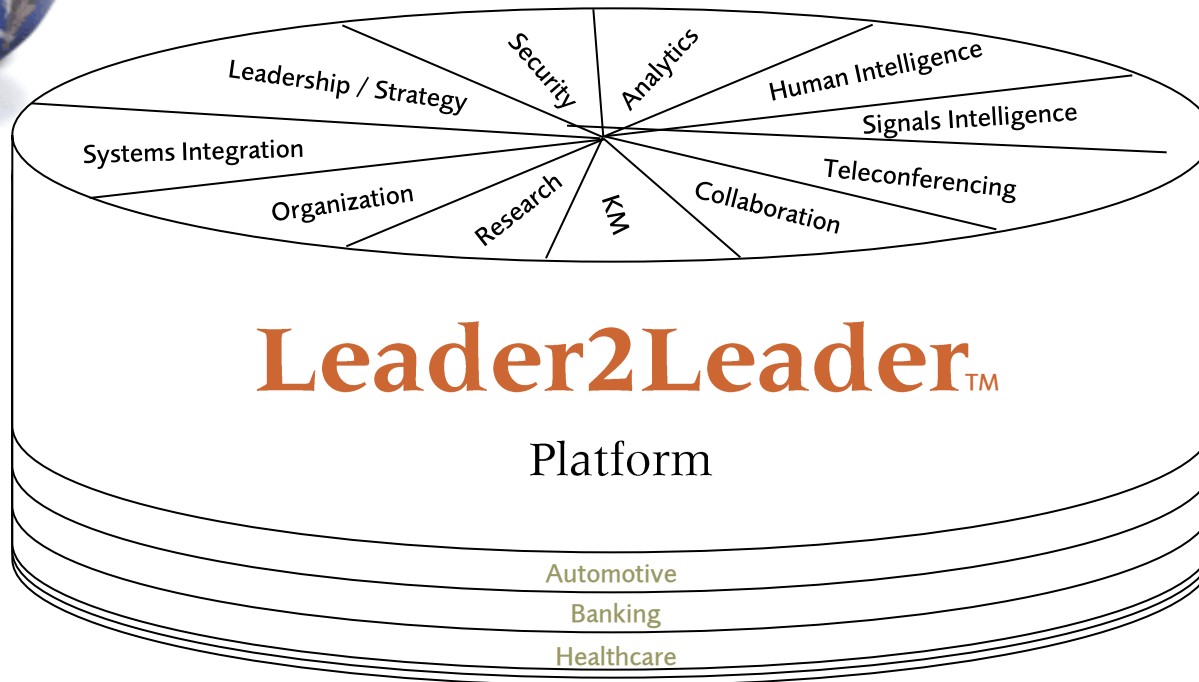
- Our History
- Business Information
- Products / Size of opportunity
- Growth strategy
- Battelle-Leader possibilities
- Action



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# Our History

Built a secure, *horizontal* communications, organization, information processing and unified storage platform with infinite *vertical* market applications.



## Key Verticals:

- < Automotive
- < Banking
- < Healthcare
- < Pharmaceuticals
- < Financial Services
- < Telecommunications
- < Professional Services
- < Computers
- < Software
- < Security
- < Insurance
- < Manufacturing
- < Retail



# Business Information

- Knowledge Base >
- Organizational Information >
- Capitalization >
- Key Personnel >



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# Knowledge Base

- ✓ Business cases prepared
- ✓ Sources thorough
- ✓ Product & market validations completed
- ✓ White papers written
- ✓ Sales presentations ready
- ✓ Business plans, forecasts hardened
- ✓ Intellectual property rich
- ✓ KPMG audits, last 3 years



# Organizational Information

- Started in 1997
- Mike McKibben, Founder
- Changing form from Ohio LLC to Delaware C Corp
- Westerville HQ
- 24 full time employees
- Auditors: KPMG
- \$8 million angel financing raised
- No debt



# Capitalization (Delaware C Corp)

As of March 30, 2002






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# Key Personnel

- Employees
  - Ed Detwiler, Bank One
  - Brad Whiteman, DoD Shared Data Warehouse
  - Mike Greulich, DoD Defense Finance Service
  - Jeff Lamb, USAF Air Intelligence
  - Karen Houser, Yellowstone National Parks
  - Ben Zacks, attorney
- Board / Advisors
  - James Chandler, NIPLI
  - Pete Klisares, MIGG Capital, AT&T Bell Labs
  - Steve Gonzalez, AT&T IP Services
  - Colombe Nicholas, Anne Klein, Giorgio Armani
  - Maj. Gen. James Freeze, NSA & US Army Intelligence
  - Bill DeGenaro, 3M Company, White House, DoD





# Products

- Value Proposition >
- What is Leader's secret sauce? >
- What we built: Leader2Leader™ >
- Where is the market today? >
- What are the implications? >
- Leader went back to the drawing board. >
- Key Customer Benefits >



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# Value Proposition

What do users of  
information technology want?

< What Leader built. >



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# Value Propositions, p2.

- **Lead...**

your enterprise with higher productivity, agility, and greater clarity of vision.

- **Collaborate, Communicate, Innovate...**

among people, partners, customers, priorities, tools.

- **Bank...**

your intellectual capital securely; leverage your knowledge; increase your valuation.

- **Trust...**

the system to support your objectives at every level, at any time.



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# What IT users want.

- **Vision & Strategy Alignment** – a system that supports a clear vision of the future, shared understanding of how to get there, & commensurate performance measures
- **Productivity/Profits** – get the most out of people & resources



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# What IT users want. p2.

- **Agility** – timely response to market changes
- **Retention** – once the customer is acquired, keep him/her happy
- **Perspective** – know how individual effort fits into overall enterprise effort



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# What IT users want. p3.

- **Data / Intelligence** – organize, secure, deliver & share appropriately
- **Scalability** – system that responds to 1 or 1,000,000 users
- **Turn-key** – easier to administer & support
- **Integrated** – data and communications tools not hopelessly fragmented over multiple systems



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# What IT users want. p4.

- **Inexpensive** – displace and/or reduce current costs
- **Manageable** – by a few administrators
- **Secure** – access privileges more closely monitored



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# What IT users want. p5.

- **Standards** – stable, unchanging
- **Ubiquitous** – system everybody uses
- **Competitive Edge** – system that provides 10x competitive advantages



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# What IT users want. p6.

- **Transparency** – work behind the scenes
- **Simple**
- **Portable**
- **Accessible** – anywhere, anytime, anybody™



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# What is Leader's secret sauce?

## The Data Processing Framework ... among others



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# How is it protected?

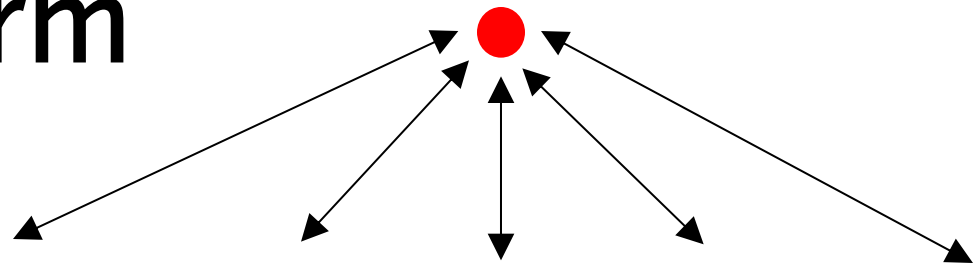
- Retained the person who wrote many of our laws on intellectual property and follow his advice:  
Professor James P. Chandler
- Multi-pronged strategy:
  - In law...
    - Proprietary & Confidentiality Agreements
    - Trade secrets
    - Patents
    - Trademarks
    - Copyrights
    - Trade dress
    - Trade secrets compliance program
    - Technology assignment agreements
  - In fact...
    - Physical security (video, intrusion, fire, files, locks, shredding)
    - Network security (firewalls, anti-virus, SSL, encryption)
    - Source code security
    - Security audits



# What we built: Leader2Leader™

One platform

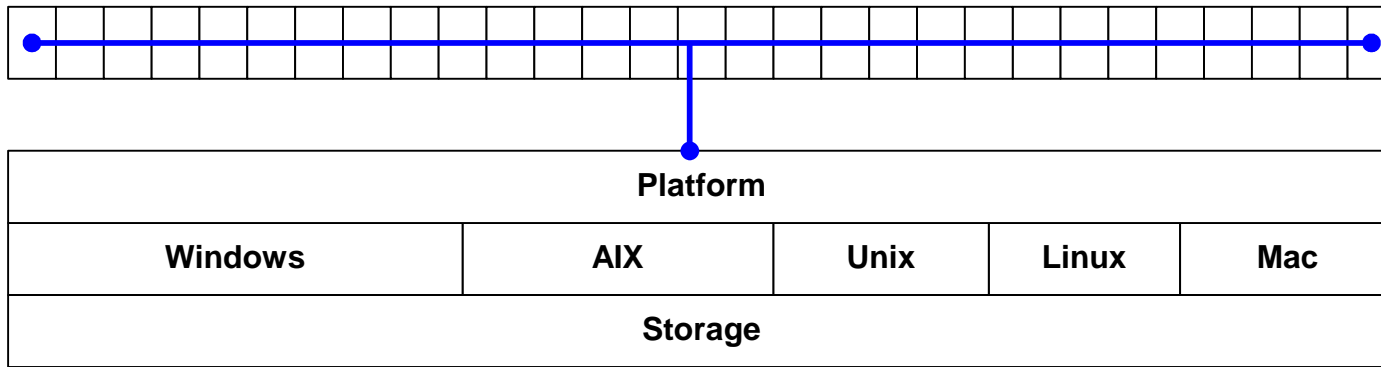
Many uses



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# Leader2Leader™

## Communciations & Collaboration



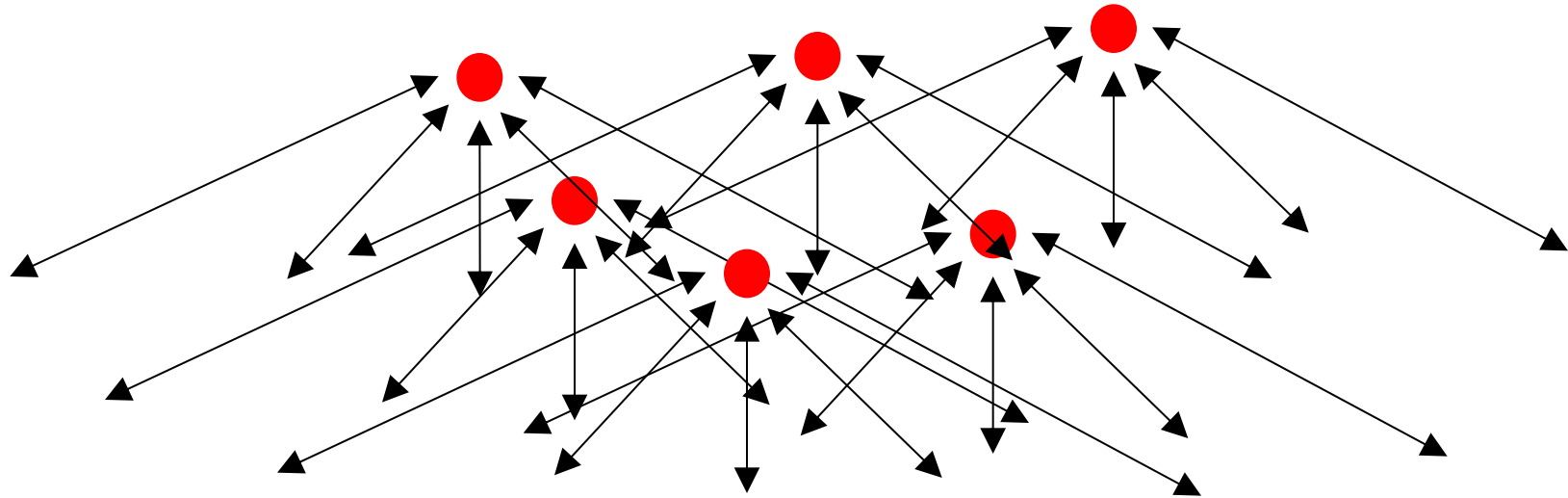
Points of Failure = 1



# Where is the market today?

## Many platforms

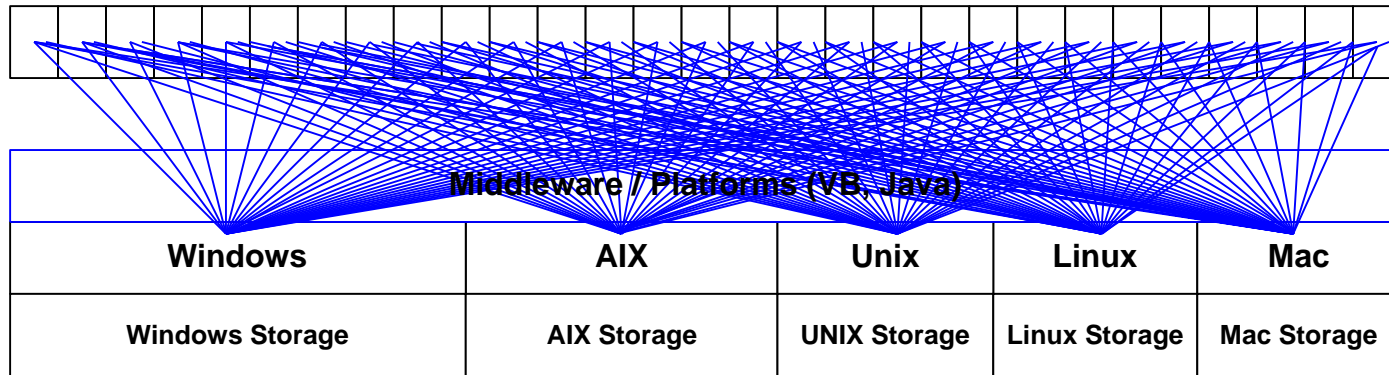
## Many applications & uses



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# Where is the market today?, p2.

## Communications & Collaboration Today



Points of Failure = 4135



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# What are the implications?

- Expensive to support
- Users are frustrated
- No strategic focus
- Productivity mixed bag
- Confusing market messages
- Data "silos" / inaccessible
- September 11 (no integration, e.g., Muhammed Ata's visa approval)





# How we got here technologically?

## COLLABORATION

Legacy  
Data  
Skills  
Expertise

AT&T Mail  
AT&T/GE/Sterling EDI  
Microsoft Office  
Microsoft Exchange  
Lotus Notes  
Novell Groupwise

## KNOWLEDGE MANAGEMENT

Legacy  
Data  
Skills  
Expertise

## COMMUNICATIONS

Legacy  
Data  
Skills  
Expertise

AT&T  
MCI  
Sprint  
Bell South  
Qwest  
Novell Network

Windows 98/NT/2000  
UNIX

Oracle  
Sun  
IBM  
Sybase  
SAP



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# How we got here technologically?

## COLLABORATION

Legacy  
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Skills  
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## KNOWLEDGE MANAGEMENT

Legacy  
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## COMMUNICATIONS

Legacy  
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Microsoft Exchange  
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Oracle  
Sun  
IBM  
Sybase  
SAP



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# What has changed?

# COLLABORATION

Legacy  
Data  
Skills  
Expertise

# KNOWLEDGE MANAGEMENT

Legacy  
Data  
Skills  
Expertise

# Internet

+

# Browser

# COMMUNICATIONS

Legacy  
Data  
Skills  
Expertise

Microsoft Exchange  
Lotus Notes  
Novell Groupwise

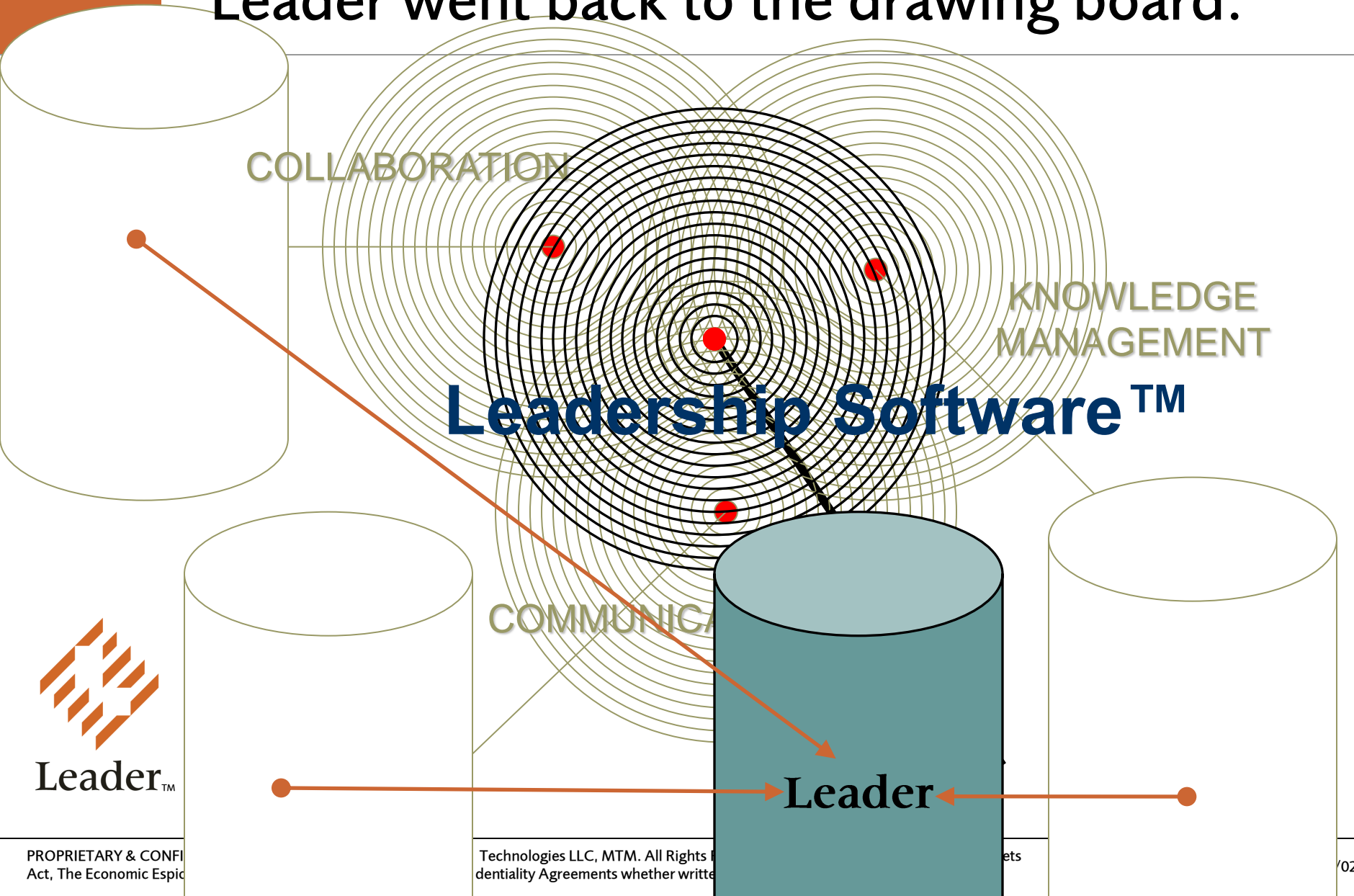
AT&T  
MCI  
Sprint  
Bell South  
Qwest

Oracle  
Sun  
IBM  
Sybase  
SAP



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# Leader went back to the drawing board.



# Key Customer Benefits

- Cut costs / save money (displace costs)
- Leverage existing resources
- Improve culture / productivity / accountability
- Reduce stress & waste
- Focus leadership & organization
- Integrate communications / consolidate data
- Secure
- Nothing to install
- Global: anytime, anywhere, anybody™



# Growth Strategy

- Development Strategy >
- Competition >
- Roll Out Strategy >
- Roll Out Rationale >
  - Key Components of University Initiative >



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# Business Development Strategy

- Marketing, discussed later
- Growth
  - Raise \$7-20 M
    - Key executive hires, sales & marketing ramp, strategic alliances, customer service & technical support ramp, continuing IP protection
  - Solidify early target customers & alliances
  - Orchestrate first liquidity event, Raise \$200+M
    - IPO
    - Sub-brand spinoff
    - Acquisition of brand or sub-brand
    - Strategic alliance



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# Development Strategy, p2.

- Secure the market share lead
- Orchestrate follow-on offering
  - Create a significant liquidity event for Rule 144 insiders
- Dominate the market space
  - Acquire telecommunications firms
  - Acquire professional services firms
  - Acquire systems integrators
  - Acquire portals & ISPs



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# Competition

- Fragmented
- No loyalties
- No dominant player
- Plethora of vertical applications
- .Net & Notes  
(old war horses with new looks)
- Market ripe for fresh approach



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# Roll Out Strategy

- **Key Driver:** Horizontal, disruptive innovations like Leader2Leader™ have the opportunity for revolutionary impact. Carpe diem.
- **Leader Strategy:** Blanket the Internet with Leader2Leader™
  - All market segments. Now. Focused start.
  - Dominate the market. Now. Focused start.
  - Don't trickle it out one traditional vertical at a time.
  - Leader2Leader™ is the opportunity for enormous multiples.
  - Team with global players already marketing to L2L™ verticals.



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# Roll Out Strategy

**Business**

**LeaderPhone™**

**Leader2Leader™ — Click2Lead™**

**Leader Security™ — Leader Force Multiplier™**

**Security**

**Government**

**Academia**

**Leader University Initiative™**

Sponsors: Leader, Fortune 500, University Donors, Professional Services...

**Leader2Leader™ Market Segmentation of the Leader University Initiative™ Sponsorships**

Retail

Manufacturing

Insurance

Software

Computers

Professional Services

Telecommunications

Military

Government

Financial Services

Pharmaceuticals

Healthcare

Banking

Automotive



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# Roll Out Rationale

- LeaderPhone™ is launched, target = early innovators
- LeaderSecurity™ is timely, target = post-9/11 security leaders
- Leader2Leader™ "low hanging fruit" licenses, target = early innovators
- Click2Lead™ engages re-sellers, medium & small business, focus on retail subscriptions.
- Leader University Initiative™ seeds:
  - Academic market (future users)
  - Vertical corporate distribution



# Key Components of University Initiative

- Computer equipment
- Managed hosting sites
- Leader2Leader™ licenses
- Local corporate sponsor (optional)
- University endowment donors
  - By College



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# Where are our best fits?

- LeaderPhone™
- Leader2Leader™
- Investing
- LeaderSecurity™
  - Platform collaboration
- R&D Collaboration
  - OmniViz™



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# End



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# Backup material follows...



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# Battelle-Leader Opportunities, p1.

## 1. LeaderPhone™ Teleconferencing Services

- \$240K per month monthly minimum contract
- Benefits: Reduce costs, improve service, 24x7x365
- Cost displaced = \$250K per million minutes



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# Battelle-Leader Opportunities, p2.

## 2. Leader2Leader™ Preferred Customer

- 5,000-20,000 licenses : \$50-\$20 per seat per month
- Costs displaced + Opportunities Gained = \$2.25M per month (min.) per 5000 users



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# Battelle-Leader Opportunities, p3.

## 3. Invest \$5M on a 3x preferred basis

- \$5M = 5% ownership + 3x preferred
- Expansive market: 100-1000x possibilities = \$500M-\$5B in return
- Liquidity opportunities = IPO, Follow-on, Sub-brand spinoffs, Revenues



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# Battelle-Leader Opportunities, p4.

## 4. Leader Security™ Platform

- Fixed and rapid deployment security platforms
  - Monitored platform:  
5000 sites per state @ 25 devices per site @ \$75 per month per 25 devices = \$225M per year
  - License platform (not including device sales):  
5000 sites per state @ 25 devices per site @ \$50 per month per 25 devices = \$150M per year



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# Battelle-Leader Opportunities, p5.

## 5. Leader Security™ Platform, cont'd

- Cameras
- Weapons of Mass Destruction
- Motion
- Audio
- Vibration
- Identification scanners
- Human intelligence



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# Battelle-Leader Opportunities, p6.

## 6. R&D Collaboration

- Homeland security / anti-terrorism / technology transfer
- Cross-licensing of shared technologies, e.g. OmniViz™/Lite/Analytic/Expert = \$51M per year



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## .... Spare slide (OmniViz Sales forecast notes)

- **OmniViz-light** license @ \$0.50 per seat per month = \$6M per year per 1M Leader2Leader™ users
- **OmniViz-analytic** @ \$25 per seat per month = \$30M per 100K Leader2Leader™ users
- **OmniViz-expert** @ \$500 per seat per month = \$15M per 2500 Leader2Leader™ users
- **OmniViz installed version** = \$25-50K per package

