Battelle-Leader Agenda

• History to current
• Products
• Size of opportunity
• Battelle-Leader alliance possibilities
• Growth strategy roll out
• Proposal
History to current

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
Leader2Leader™

One platform
Many uses
Where is the market today?

Many platforms
Many applications & uses
What are the implications?

- Confusing market messages
- User frustration
- Productivity mixed bag
- Expensive to support
- Data “silos”
- No strategic focus
- September 11
How we got here technologically

COLLABORATION

Legacy Data Skills Expertise

COMMUNICATIONS

Legacy Data Skills Expertise

KNOWLEDGE MANAGEMENT

Legacy Data Skills Expertise

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

AT&T
MCI
Sprint
Bell South
Qwest
Novell Netware
Windows 98/NT/2000
UNIX

Oracle
Sun
IBM
Sybase
SAP
How we got here technologically

What has changed?
Leader went back to the drawing board.
Key Customer Benefits

• Focus leadership & organization
• Cut costs
• Leverage people & money
• Improve productivity
• Reduce stress & waste
• Integrate communications
• Secure
• Nothing to install
• Global: anytime, anywhere, anybody
Roll Out Strategy

• **Key Driver:** Horizontal, disruptive innovations only come our way maybe once or twice in a lifetime. Carpe diem.

• **Strategy:** Blanket the Internet with **Leader2Leader™**
  – All market segments. Now.
  – Dominate the market. Now.
  – Don't trickle it out one traditional vertical at a time.
  – Leader2Leader™ is a license to print money
  – Team with global players
Roll Out Strategy

**Business**
- LeaderPhone™
- Leader2Leader™
- Leader Smart Camera™

**Security**
- Click2Lead™
- Leader Force Multiplier™

**Government**

**Academia**
- Leader University Initiative™
  - Sponsors: Leader, IBM, Fortune 500, University Donors, Battelle, Prof. Services...

**Leader2Leader™ Market Segmentation of the Leader University Initiative™ Sponsorships**
- Retail
- Manufacturing
- Insurance
- Software
- Computers
- Professional Services
- Telecommunications
- Financial Services
- Pharmaceuticals
- Healthcare
- Banking
- Automotive
Roll Out Rationale

• LeaderPhone™ is launched
• Leader Smart Camera™ is timely
• Leader2Leader™ “low hanging fruit” further tests and validates
• Click2Lead™ engages re-sellers, medium & small business
• Leader University Initiative™ seeds:
  – Academic market (future users)
  – Vertical corporate distribution
  – Gets IBM committed to vertical penetration
Key Components of University Initiative

• Computer equipment
• Managed hosting sites
• Leader2Leader™ licenses
• Local corporate sponsor
• University endowment donors
  – By College
Leader University Initiative

- **Hosting Site**
  - Hardware
  - Software
  - Leader2Leader™ App

- **Industry Sponsors**
  - Hardware
  - Software
  - Leader2Leader™ App

- **Faculty**
  - Coursework
  - Research

- **Students**
  - Coursework

- **Donors**
  - Hosting Site
  - Hardware + Software
  - Leader2Leader™
  - Wall of Recognition

- **Admin & Staff**
  - Faculty
  - Staff
  - Operations

- **Internet**
Leader University Initiative, p2

System provided by **Leader**

- Hosting Site
  - Hardware
  - Software
  - Leader2Leader™ App
- Industry Sponsors
  - Hardware
  - Software
  - Leader2Leader™ App

Sponsored by **[CIGNA Group]**

- Faculty
  - Coursework
  - Research
- Students
  - Coursework

Internet

Search & Analysis powered by **Battelle**

- Donors
  - Hosting Site
  - Hardware + Software
  - Leader2Leader™

Hosted by **IBM**

Admin & Staff
- Faculty
- Staff
- Operations

Supported by **[James E. Fisher Family Trust]**
Harvard Business School  
Thomas Q. Smithers – IBM – Agfa  
Leader2Leader™ Learning Network  

Harvard Law School  
William J. Bryant – IBM – Fleet Bank  
Leader2Leader™ Learning Network  

Harvard Medicine  
Laurie T. Pondertone – IBM – Glaxo Wellcome  
Leader2Leader™ Learning Network  

Harvard Divinity School  
Laurie T. Pondertone – IBM – Amoco  
Leader2Leader™ Learning Network  

Harvard School of Design  
Laurie T. Pondertone – IBM – CIGNA  
Leader2Leader™ Learning Network  

JFK School of Government  
Sally W. Smythe – IBM – Dow Chemical  
Leader2Leader™ Learning Network  

Graduate School of Education  
Philip P. Mather – IBM – Schwab  
Leader2Leader™ Learning Network  

Harvard College  
John B. Fisher – IBM – First Boston  
Leader2Leader™ Learning Network  

1000 university institutions = $7.02 billion per year  
w/ $2.106 billion of this to the universities.
Learning Initiative Roll Out

• Gain IBM / Battelle (or comparables) participation
• Approach Universities
  – President
  – Chief Development Officer
• Approach selected Local Fortune 500 Co.
• Approach donors (University)
Learning Initiative Roll Out

- Coordinate college graphics
- Stand up equipment & site
- Install Leader2Leader™
- Train University administration on UserID, Password & College list entry
- IBM provide Tier 1 technical support
Learning Initiative Roll Out

- Support development department management of the campaign & newsletters
- Support Local Fortune 500 Leader Channel™
- Support IBM and Battelle Leader Channels™

The Harvard¹ Knowledge Capital Campaign

Dear Prospective Donor:

Put your name on a learning revolution. Here’s how:

Harvard University
Your Name - IBM - AEP
Leader2Leader™ Learning Network

For those over 45 year of age, our university days were spent with paper, pencil and slide rule. Not so today. Students and faculty use computers in every aspect of university life, from research and e-mailing assignments to posting spare sofa for sale and e-chatting with parents on the web. However, all these e-tools at our fingertips are not integrated. Rather, they’re a hodge-podge of hardware, software, standards and formats. If you have ever tried to send a file from your PC to an Apple Macintosh, you know what we mean.

Leader Technologies (“Leader”) of Columbus, Ohio assembled a technology “dream team” and spent almost five years inventing a new approach to communications that solves the problems just mentioned. The product is Leader2Leader™. It is a revolutionary new way for students, faculty, administration and alumni to work together and better learn from one another. Leader2Leader™ does all this using already familiar tools: the phone, fax and the Internet browser on your computer.

Leader in alliance with IBM, Battelle, AEP² and the Harvard Capital Funds
University Initiative Benefits

• University: saves money, increases effectiveness for students, faculty & stakeholders, unique development program for donor recognition
• Leader: seeds distribution in all key markets
• IBM: horizontal play across industry sectors
• Battelle: branding profile, horizontal play with vertical apps in all niche markets for OmniViz +
• Fortune 500: leadership in their industry and community
Battelle-Leader Opportunities

1. **LeaderPhone™ Teleconferencing Services**
   - $240K per month monthly minimum contract
   - Benefits: Reduce costs, improve service, 24x7x360
   - Cost displaced = $250K per million minutes

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
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

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

- Cameras
- Weapons of Mass Destruction
- Motion
- Audio
- Vibration
- Identification scanners
- Human intelligence
3. **R&D Collaboration**

- Homeland security / anti-terrorism / technology transfer
- Cross-licensing of shared technologies, e.g. OmniViz™/Lite/Analytic/Expert = $51M per year
Proposal, p1

• Battelle invest
  – Participating preferred w/ buy-back rights
    • ... if $1 million (assist with raising additional funds)
    • ... if $5 million (we'll balance cashflow to last 1 year and/or raise additional monies)
    • ... if $10-20 million (we'll ramp immediately)
  – Seat on board

• License OmniViz™ for Leader Search & Analysis™

• License Leader2Leader™
Proposal, p2

- Purchase Leader Smart Camera™
- Construct a Leader Security™ NORAD theater
- Plan to spin off Leader Security™ early
- Battelle participate in University Initiative as desired
Summary

• Battelle focus
  – Invest
  – Adapt OmniViz™ for Leader Search & Analysis™
  – Jointly pursue Leader Security™ stand alone offering
  – Implement Leader2Leader™ internally

• Leader focus
  – LeaderPhone™ staff and run as standalone
  – Leader Smart Camera™ staff and run as standalone
  – Leader2Leader™
    • Leader2Leader™ “low hanging fruit
    • Click2Lead™ staffed as stand alone ASP
    • Leader Security™ applications
    • Leader University Initiative™
• 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