



# Tech M&A Monthly

## 10 Rules for Writing an Executive Summary That Sells

September 14, 2017

# Welcome



Timothy Goddard  
SVP, Marketing  
Corum Group Ltd.

Timothy joined Corum in 2011, and oversees the company's marketing efforts globally from the headquarters near Seattle. Chief among these is Corum's extensive conference schedule, "Selling Up, Selling Out," the Merge Briefing, the Tech M&A Monthly webcast and Corum's platinum sponsorship of the World Financial Symposiums' live events and Market Spotlight series. Through these events, Corum Group serves as the world's leading educator in technology mergers and acquisitions.

Prior to joining Corum, Timothy served as marketing and product manager for GIS software startup Depiction, Inc., and previously worked in marketing for VizX Labs, a pioneering SaaS startup delivering DNA analysis tools. In addition to marketing for software startups, Tim has worked for a US Senate campaign and taught science in Rio de Janeiro.

Timothy graduated Magna Cum Laude from Bethel University in St. Paul, Minnesota, with degrees in History and Biology.

# Agenda

- Welcome
- Upcoming Conferences
- September 2017 Research Report
- Writing an Executive Summary That Sells
- Q&A

# Upcoming Conference Schedule

**Selling Up Selling Out (SUSO)** - Ready to go to market? During this half-day workshop, learn to prepare, position, research, value, negotiate, and execute due diligence for maximum price and structure. This is the most attended Tech M&A event ever – participants have done over \$1 trillion in transaction value.

**Merge Briefing (MB)** - The Merge Briefing is a 90-minute executive briefing providing a current M&A market update (trends, valuations, etc.), as well as a brief overview of the Tech M&A process: “8 Steps To An Optimal Outcome.”

Sep. 19: **Austin** – MB

Sep. 28: **Dublin** – MB

Sep. 19: **Baltimore** – SUSO

Oct. 3: **Kansas City** – SUSO

Sep. 20: **Victoria** – SUSO

Oct. 3: **New York City** – SUSO

Sep. 20: **Costa Mesa** – MB

Oct. 5: **St. Louis** – SUSO

Sep. 21: **San Diego** – SUSO

Oct. 5: **Vancouver** – SUSO

Sep. 27: **London** – MB

Oct. 10: **Omaha** – MB

Sep. 27: **Pittsburgh** – SUSO

Oct. 11: **Stockholm** – SUSO

[www.CorumGroup.com/Events](http://www.CorumGroup.com/Events)

Complimentary Registration – VIP Code **WEBCAST0917**

CORUM

# Corum Research Report



**Elon Gasper**  
EVP, Research



**Becky Hill**  
Analyst



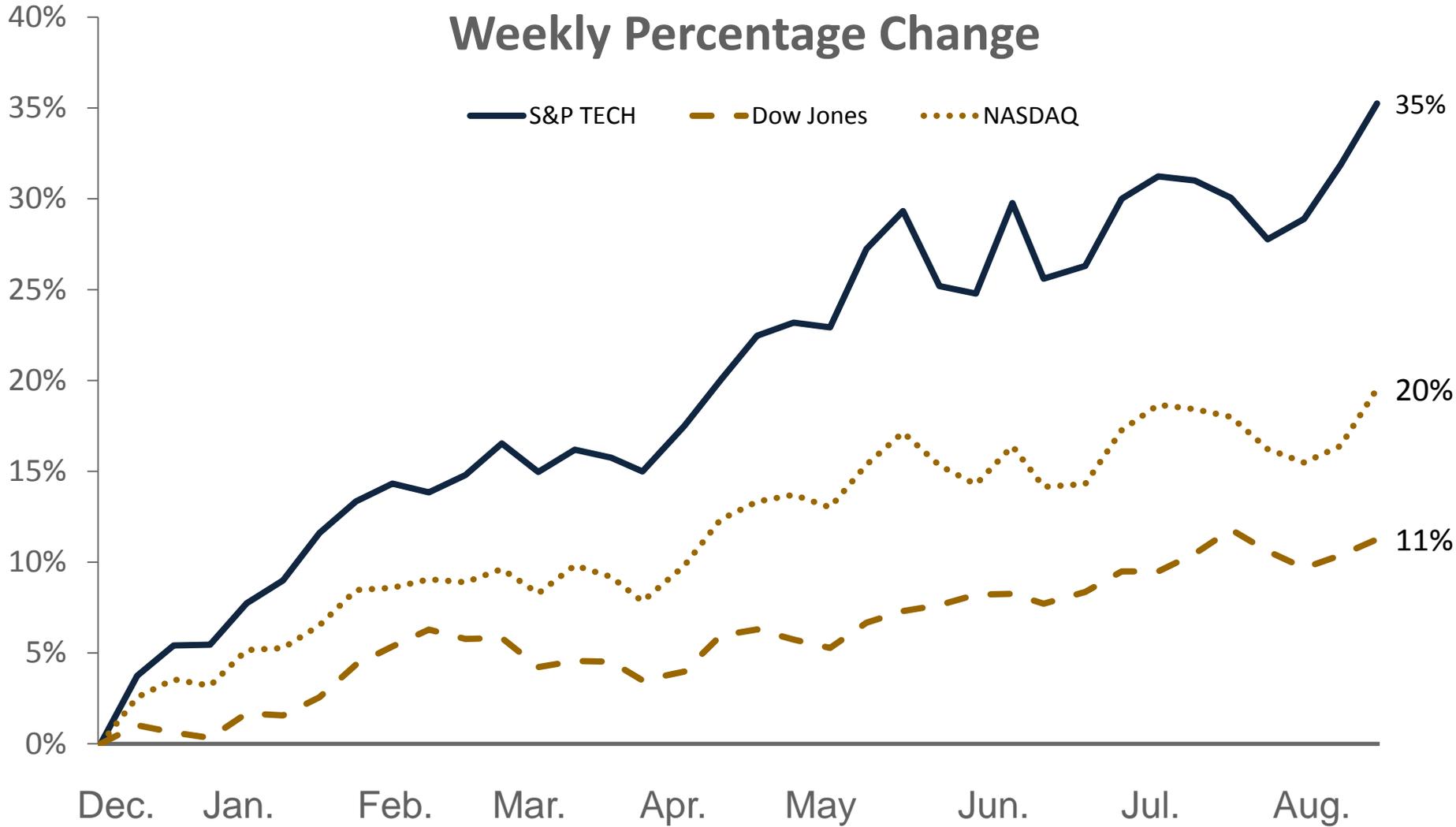
**Patrick Cunningham**  
Analyst



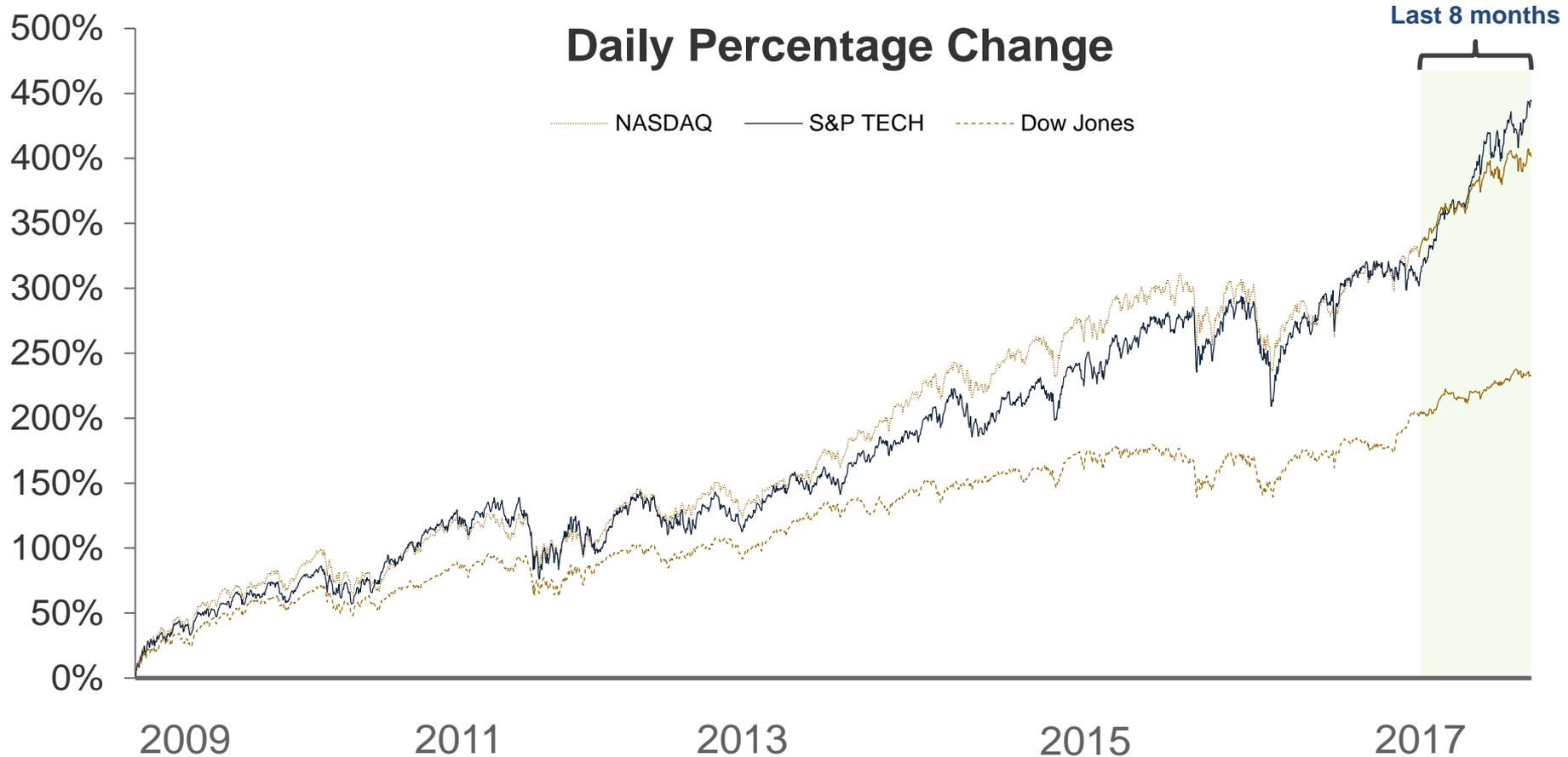
**Anna Lebedieva**  
Analyst

# Public Markets

## Weekly Percentage Change



# The Bull Market, 2009-Present



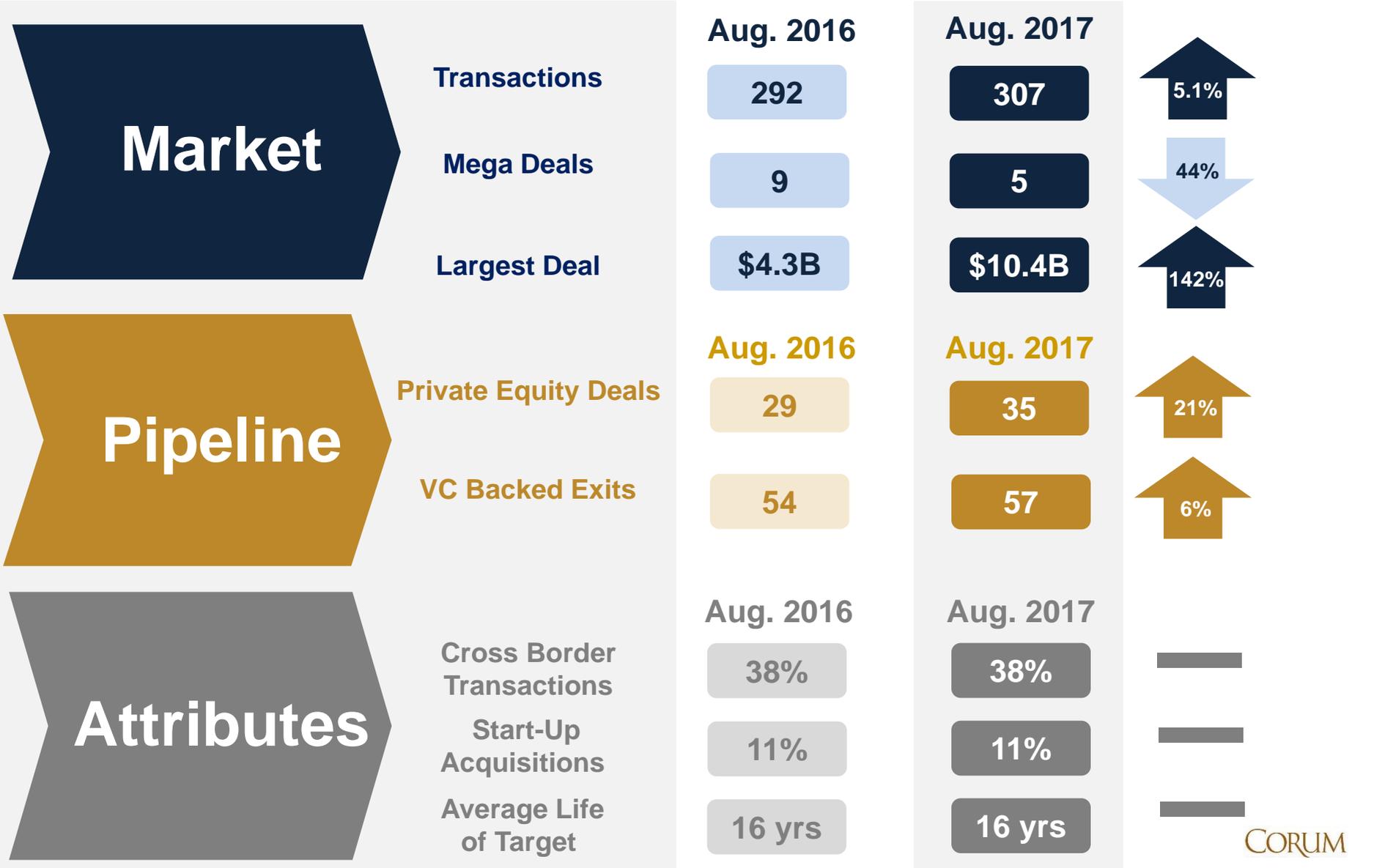
# Macro view: 4 Longest Bull Market Runs

	Start	End	Years
Dotcom Bubble	Oct. 11, 1990	Mar. 24, 2000	9.5
<b>Current</b>	<b>Mar. 9, 2009</b>	<b>?</b>	<b>8.5</b>
Postwar Boom	Jun. 13, 1949	Aug. 2, 1956	7.1
That 70s Inflation	Oct. 3, 1974	Nov. 28, 1980	6.2



\*Since the Great Depression. Source: S&P Capital IQ, The Associated Press

# Corum Index



# 2017 Mega Deals – YTD

	\$1.1B
	\$1.1B
	\$1.1B
	\$1.3B
	\$1.6B
	\$3.7B
<b>INFRASTRUCTURE</b>	
<b>\$9.9B</b>	

	\$1.2B
	\$1.6B
	\$1.9B
	\$2.4B
	\$2.4B
	\$3.4B
<b>INTERNET</b>	
<b>\$12.9B</b>	

	\$1.4B
Enterprise software	
	\$1.7B
	\$10.4B
<b>HORIZONTAL</b>	
<b>\$13.5B</b>	

	\$1.3B
Healthcare business	
	\$1.6B
	\$2.0B
	\$2.6B
	\$2.8B
	\$4.3B
HR BPO assets	
<b>IT SERVICES</b>	
<b>\$14B</b>	

	\$1.1B
	\$1.2B
	\$1.3B
	\$1.4B
	\$2.0B
	\$2.3B
	\$2.8B
	\$15.3B
	\$23B
<b>VERTICAL</b>	
<b>\$50B</b>	

# 2017 Mega Deals – YTD


Sold to


**Target:** The Advisory Board Company (healthcare business) [USA]  
**Acquirer:** Optum [UnitedHealth Group] [USA]  
**Transaction Value:** \$1.3B

- research, systems integration and consulting in the healthcare industry


Sold to




**Target:** The Advisory Board Company (EAB education business) [USA]  
**Acquirer:** Vista Equity Partners Management [USA]  
**Transaction Value:** \$1.6B

- Research and consulting to academic, business, and student affairs leaders

 	<b>\$1.3B</b>
Healthcare business	
 	<b>\$1.6B</b>
EAB Vista Equity Partners	
 	<b>\$2.0B</b>
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SourceHOV/Tax Technology (Sight) Innovation	
 	<b>\$4.3B</b>
HR BPO assets	

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 	<b>\$2.4B</b>
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 	<b>\$1.7B</b>
 	<b>\$10.4B</b>

<b>IT SERVICES</b>
--------------------

<b>VERTICAL</b>
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# Vertical Application Software Market

## Public Valuation Multiples

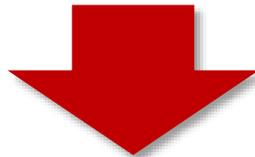
Since Q2

Aug. 2017

Corum Analysis



*Steady at record levels,  
amid demand for ever  
more granular SaaS  
applications...*



*...to take market share,  
with profitability a  
secondary concern*



# Vertical Application Software Market

## Deal Spotlights: Energy Management



# OSRAM

**Target:** Digital Lumens [USA]

**Acquirer:** OSRAM Licht [Germany]

- Software for monitoring and managing building's energy use
- Strengthens OSRAM's roster of IoT applications



# Tantalus

**Target:** Energate [Canada]

**Acquirer:** Tantalus Systems [USA]

- Residential energy demand management control software
- Expands Tantalus' smart grid application portfolio



# Vertical Application Software Market

## Deal Spotlights: Sports Management

**ArbiterSports™**

Sold to



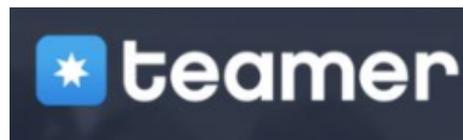
**Target:** ArbiterSports [USA]  
**Acquirer:** Serent Capital [USA]

- Sports team management, eligibility testing and training, games for athletic directors, schools

EV



Sold to



**Target:** FixturesLive [UK]  
**Acquirer:** Teamer [Ireland]

- Sports league creation and management SaaS

EV

**korrio®**

Sold to



**Target:** Korrio [USA]  
**Acquirer:** TeamSnap [USA]

- Features for online sports registration, payment processing, calendaring, team rostering



# Vertical Application Software Market

## Deal Spotlights: Insurance Software



**Target:** Sequel Business Solutions [HgCapital] [UK]

**Acquirer:** Verisk Analytics [USA]

**Transaction Value:** \$323M (9.6 x EV/Sales)

- Specialty insurers with software, including project, claims and analytics management

EV



**Target:** BBT Software [Switzerland]

**Acquirer:** Volaris Group [Constellation Software] [Canada]

- Features for electronic invoice verification and document management

EV

E



**Target:** OnSource [USA]

**Acquirer:** Genpact [USA]

- Sports team management, eligibility testing and training, games for athletic directors, schools

levels,  
r ever  
SaaS

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# Vertical Application Software Market

## Deal Spotlights: Pharmaceuticals

**Context**  
Matters



**DRG**

EV

**Target:** Context Matters [USA]

**Acquirer:** Decision Resources Group [Piramal Enterprises] [USA]

- Drug development and market data analysis SaaS for the biopharma industry
- Improves DRG's position in the life sciences industry

**Health**  
Enterprises



**PipelineRx**

EV

**Target:** Health Enterprises (remote order entry business unit) [USA]

**Acquirer:** PipelineRx [USA]

- Remote pharmacy SaaS and business process outsourcing services to clinical pharmacists



# Vertical Application Software Market

## Deal Spotlight: Automotive



Sold to

*Platinum Equity*

EV

**Target:** American Traffic Solutions [USA]

**Acquirer:** Platinum Equity [USA]

- Traffic safety, mobility, and compliance solutions
- ATS' Fleet Services provide both toll and violation management solutions to fleets and rental customers



Sold to

**SIEMENS**

EV

**Target:** TASS International [Netherlands]

**Acquirer:** Siemens [Germany]

- Autonomous driving simulation software
- Complements Siemens' acquisition of Mentor Graphics



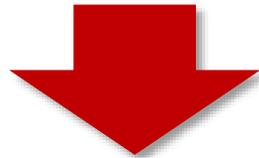
# Consumer Software Market

## Public Valuation Multiples

Since Q2

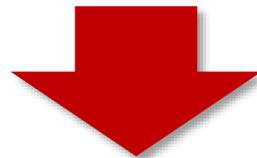
Aug. 2017

Corum Analysis



**3.1x**

*Slightly retreating from a record climb through the first half of 2017...*



**13.7x**

*...with EBITDA retreating to levels last seen during the Q1 2016 market correction*



# Consumer Software Market

## Deal Spotlights: AI-Enabled Entertainment

**Ozlo**<sup>TM</sup>

Continue the conversation.

Sold to

**facebook**

**Target:** Ozlo [USA]

**Acquirer:** Facebook [USA]

- Interactive mobile search bot with automated contextual answers to questions
- The deal enables Facebook to make use of Ozlo's knowledge graph

**AIMATTER**

Sold to

**Google**

**Target:** AIMATTER [Belarus]

**Acquirer:** Google [USA]

- Real-time editing of photos and videos with automated image analysis
- Continues Google's push into artificial intelligence projects



# Consumer Software Market

## Deal Spotlights

moviepass™

Sold to

 Helios +  
Matheson



**Target:** MoviePass [USA]

**Acquirer:** Helios and Matheson Analytics [USA]

**Transaction Value:** \$27M

- Movie theater membership pass

EV



Sold to

SWING  SWING  
OWN YOUR GAME

**Target:** gottaGolf [USA]

**Acquirer:** Swing by Swing Golf [USA]

- Traces ball locations, edits photos and videos, and connects with fellow golfers

EV



Sold to

 moovel

**Target:** Familonet [Germany]

**Acquirer:** moovel Group [Germany]

- Tracks family member locations, plus chat



# Consumer Software Market

## Deal Spotlight: Gaming

Since Q2

Aug. 2017

Corum Analysis

EV



Sold to



**Target:** Plarium Global [Israel]

**Acquirer:** Aristocrat Technologies Australia [dba Aristocrat Leisure] [Australia]

**Transaction Value:** \$500M

- Mobile and social video games including *Vikings: War of Clans*
- Aristocrat previously acquired social casino game maker Product Madness

EV

EE



# IT Services Software Market

## Public Valuation Multiples

Since Q2

Aug. 2017

Corum Analysis



*No increase from record levels since April – may have reached peak?*



*A new record – demand may be shifting to profitable models*



# IT Services Software Market

## Deal Spotlights: Digital Marketing Services

Target	Acquirer	Target Country	Acquirer Country	Description
		USA	Ireland	Digital marketing and measurement, outsourced product development
		USA	Ireland	Digital and social media marketing services
		France	USA	Digital marketing and e-commerce and social media optimization services
		UAE	USA	Digital media marketing campaigns, social media optimization, content and online influencer marketing services
		Denmark	USA	Digital marketing and IT services
		India	United Kingdom	Digital marketing and measurement, and offline marketing
		New Zealand	United Kingdom	Digital marketing services, including SEO, Web design and related branding
		Sweden	USA	Digital marketing services
		England	USA	Digital marketing, customer analytics reporting and business process outsourcing services



# IT Services Software Market

## Deal Spotlights: Digital Marketing Services

Target	Acquirer	Target Country	Acquirer Country	Description
  		USA	USA	  <p><b>Target:</b> Clearhead Group [USA]  <b>Acquirer:</b> Accenture [Ireland]</p> <ul style="list-style-type: none"> <li>- Digital marketing and measurement, A/B testing services for businesses</li> <li>- Boosts personalization services of Accenture Interactive</li> </ul>
   		USA	USA	  <p><b>Target:</b> Wire Stone [USA]  <b>Acquirer:</b> Accenture [Ireland]</p> <ul style="list-style-type: none"> <li>- Digital and social media marketing services, including audience targeting and content strategy</li> </ul>
		England	USA	Digital marketing, customer analytics reporting and business process outsourcing services



# IT Services Software Market

## Deal Spotlights: Digital Marketing Services

Target

**extreme  
sensio**

Sold to

**GREY** group <sup>WPP</sup>

**Target:** Extreme-Sensio [France]  
**Acquirer:** Grey Group [WPP] [USA]

- Digital marketing, e-commerce and social media optimization services



extreme  
sensio



**hug**  
lovedigital

Sold to

**GREY** group <sup>WPP</sup>

**Target:** hug digital [UAE]  
**Acquirer:** Grey Group [WPP] [USA]

- Digital media marketing campaigns, content and online influencer marketing and results analytics

**DIS/PLAY**

Sold to

**AKQA** <sup>WPP</sup>

**Target:** DIS/PLAY [Denmark]  
**Acquirer:** AKQA [WPP Group]

- Digital marketing and IT services

Little Giant

Acne





# IT Services Software Market

## Deal Spotlights: Digital Retail Marketing

BRAND CONNECTIONS



ADVANTAGE SOLUTIONS

EV  
S

**Target:** Brand Connections [USA]

**Acquirer:** Advantage Solutions [USA]

- Digital marketing services for retailers and consumer brands
- Online marketing firms with proved resources continue to be appealing targets

  
QUIVERR



ADVANTAGE SOLUTIONS

EV  
EE

**Target:** Quiverr Collective [USA]

**Acquirer:** Advantage Solutions [USA]

- Amazon marketing and measurement services for brands



# IT Services Software Market

## Deal Spotlights: Focused IT Services



UDG Healthcare plc

**Target:** Cambridge BioMarketing Group [Ziff Davis Media Inc.][j2 Global] [USA]

**Acquirer:** UDG Healthcare [USA]

**Transaction Value:** \$30M

- Digital marketing with a focus on rare disease treatments marketing
- Adds to UDG's capabilities in patient-focused communications programs

EV



UDG Healthcare plc

**Target:** Vynamic [USA]

**Acquirer:** UDG Healthcare [USA]

**Transaction Value:** \$32M

- Branding and strategy consulting for healthcare industry

EV

E

# Corum Research Report



**Elon Gasper**  
EVP, Research



**Becky Hill**  
Analyst



**Patrick Cunningham**  
Analyst



**Anna Lebedieva**  
Analyst

# **10 Rules for Writing an Executive Summary That Sells**

# 10 Rules for Executive Summaries

1. Keep it brief (4-10 pages)
2. Open with a clear value statement – the “armor piercing soundbite”
3. Tell the whole story in one page – use the rest of the document for supporting material
4. Align yourself with success (customers, partners, etc.)
5. Map to disruptive trends & best practices
6. Don't give a history lesson on your firm
7. Don't do a technological deep dive
8. Sell the company, not the product
9. Catch the reader's eye – big numbers, important names, etc.
10. Tell a clear, positive story about why you are going to market

# 10 Rules for Writing an Executive Summary That Sells



Debbi Davis  
Research Specialist  
Corum Group Ltd.

## Executive Summary Overview

Debbi Davis joined Corum Group in 2009, conducting research to find market trends, new leads and prospective buyers, eventually transitioning to writing Executive Summaries in 2012. Prior to Corum, she worked as a patent paralegal and project administrator for a custom hardware development group that is now part of HP. Debbi holds a Bachelor of Arts and paralegal certification.

# 10 Rules for Writing an Executive Summary That Sells



Jeff Brown  
Sr. Vice President, Client Services  
Corum Group Ltd.

## Executive Summary Vs. “The Book”

Jeff joined Corum in 2007 as Regional Director in Houston, Texas. He has over 30 years of entrepreneurial and consulting experience building software and business services companies. He specializes in information technology for engineering, scientific and business applications. He also understands the energy industry and multinational operations.

Jeff helped form and was President of Severn Trent Worksuite, a FTSE 100 subsidiary, which became the leading provider of enterprise and wireless workflow management software. Jeff was Vice President at IntelliGIS, a pioneer in geographic information systems and wireless computing. Additionally, he launched Western Hemisphere operations for Simon Petroleum Technology, a provider of petroleum reservoir management software, and was a member of the initial management team at GeoQuest Systems, which became the leader in petroleum decision support systems.

Jeff began his career on the research staff at Columbia University and is a published author. He holds a degree in Geology from the State University of NY.

# 10 Rules for Writing an Executive Summary That Sells



Nina Seghatoleslami  
Vice President, Client Services  
Corum Group Intl.

## First – Self-Assessment

Nina joined Corum Group International in 2014 as an Associate based out of Barcelona office. Nina's role is in direct support of Corum's international transaction team, with a focus on European and Latin American clients.

Prior to joining the firm, Nina worked as an Investment Associate at Faraday Venture Partners where she was responsible for screening and analyzing investment opportunities in Startups and performing due diligence. Before her time at Faraday, she worked at SAP in Montreal as Software Engineer and Team Lead.

Nina received her MBA from IESE Business School in Barcelona in 2012 and holds a bachelor's degree in Software Engineering from La Salle – Ramon Llull University in Barcelona.

# 10 Rules for Writing an Executive Summary That Sells



Joel Espelien  
Vice President, Client Services  
Corum Group Ltd.

## The First Page

Joel Espelien has worked in a number of roles over a twenty year career in the technology industry. Most recently Joel served as Senior Advisor to Karmel Capital, where he advised on corporate spin-offs and M&A transactions, including the private-equity backed purchase of DivX LLC from Rovi Corporation and subsequent sale to Neulion, Inc, as well as the successful spin-off of Snaptracs, Inc. and its Tagg wireless pet tracking product from Qualcomm and the eventual two-stage sale to Whistle Labs and Mars Petcare. Joel has also served on the boards of multiple venture-backed companies resulting in successful exits, including AI startup IQ Engines (acquired by Yahoo) and IoT-for-AgTech pioneer 640 Labs (acquired by Monsanto/Climate Corporation). He has also written extensively for the Diffusion Group where he published 14 industry research reports as well as a widely recognized weekly blog.

Previously, Joel was the Chief Business Officer, SVP of Strategy and General Counsel of PacketVideo. While at PacketVideo, Joel led multiple buy-side acquisitions in the US and Europe, a groundbreaking technology partnership with Google that helped launch Android, a private-equity backed MBO and ultimately the sale of the company to NTT DoCoMo.

Prior to PacketVideo, Joel was a corporate attorney at Cooley LLP in Palo Alto and San Diego, California. Joel is a member of the Bar in both Washington and California. He holds a JD/LLM (International and Comparative Law) from Duke University and a BA from St. Olaf College. Joel is fluent in Spanish and has done business throughout Spain and Latin America.

# 10 Rules for Writing an Executive Summary That Sells



Stephanie Jensen  
Research Analyst  
Corum Group Ltd.

## Executive Summary Contents

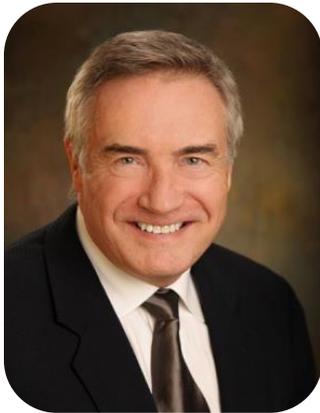
Stephanie Jensen started with Corum as a summer intern in 2007 and moved to her current position as Research Analyst in early 2017, focusing on the creation of written deliverables for many of Corum's clients.

Stephanie is an award winning educator and a technology leader, establishing and coordinating the use of technology in the learning environment. She graduated from Washington State University with bachelor's degrees in Education with a minor in Human Development and a Bachelors of Science with an emphasis in History, Human Development and Fine Arts. She received her master's degree with honors from Walden University in 2015.

# Executive Summary Contents

- INTRODUCTION
- COMPANY OVERVIEW
  - Background
  - Clients
  - Client Profiles
- MARKET
  - Market Opportunity
  - Competition
  - Sales and Marketing
  - Sales Pipeline
- PRODUCTS
  - Product Description
  - Pricing
  - Technical Details
  - Development Roadmap
- SUMMARY

# 10 Rules for Writing an Executive Summary That Sells



Bruce Milne  
CEO & Founder  
Corum Group Ltd.

## The Writing Process

In his capacity as CEO of the Corum Group, Bruce Milne has overseen more technology M&A transactions than anyone in the world, netting sellers over \$7 billion in personal wealth. Prior to Corum, he founded or owned four software/IT/internet related firms, including the largest vertical market software company in its time, AMI. This Inc. 500 firm, at its peak, was rated by IDC as the fastest growing computer-related company in the world. He has also been at the vanguard of creative financing and, at one point, raised more venture capital in a single closing than anyone in history without a lead investor. As a recognized expert in software, he has served on numerous advisory boards including Bill Gates at Microsoft, IBM, and Apple. He was founding investor in a number of firms, including Blue Coat, Bright Star and Sabaki, as well as advisor to two governors, a senator, and the Canadian Government. He was a board member of the Washington Technology Center, and founded the WTIA, the nation's most active regional technology trade association. Bruce is a Dean's List graduate from the University of Washington in International Business, and graduated from Harvard Business School with Distinction. He has authored hundreds of articles on tech M&A, management, and three books on business models, including "Power Planning - How to Structure Your Software Company for Success."

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# Q&A

- We welcome your questions!
  - Use Q&A tab at the bottom of screen
  - Submit to queue at any time

# Upcoming Conference Schedule

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CORUM

# After the Deal – Celebration





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