



SAMPLE MARKETING PLAN

Joel Sparber

ABSTRACT

This sample plan is a general overview of our market. There are three components to the plan. Market Analysis, Product Development Plan, Marketing and Sales Plan. We will address the dynamics of our industry, market and competitors.

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Sample Marketing Plan

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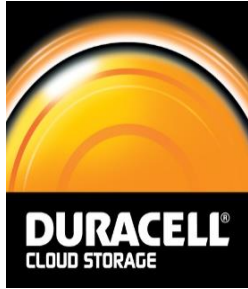
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Who We Are:

Our executives have provided disaster recovery hardware and computer backup in various forms to the enterprise market over the past decades. The migration of enterprise data equipment to the Cloud is a trend they have experienced over the past few years.

They believe such migration is still in the early stages but will increase at a rapid rate until most businesses move to a cloud based solution.

Seeing the opportunity and having the necessary expertise to capitalize upon this trend, they formed Duracell Cloud to provide cloud storage technology solutions to the business market.

Duracell's entry into the Cloud Storage business is an innovative extension of the existing flash memory space which was started in 2007. Duracell is a recognizable brand that "users know and trust." With no clear cut industry leader, the Duracell brand name will provide instant credibility and generate significant revenue opportunities.

The Market:

This plan is a general overview of our market. There are three components to the plan:

1. **Market Analysis**
2. **Product Development Plan**
3. **Marketing and Sales Plan**

We will address the dynamics of our industry, market and competitors.



I. Market Analysis

Industry Description:

We are in the **Data Backup and Recovery industry**. Data backup and recovery software solutions play a vital role to protect, replicate, and retain data in case of any manual or natural disaster. Companies cannot afford to lose their data.

Government initiatives and regulatory policies, such as Payment Card Industry Data Security Standard (PCI DSS) and Sarbanes–Oxley (SOX) promote the adoption of data backup and recovery software and associated services.

Our industry is witnessing the increasing adoption of cloud with the *Internet of Things* (IoT) to handle the massive amount of data generated from smart devices. These developments are boosting the adoption of data backup and recovery solutions.

The data backup and recovery market includes various major vendors such as IBM (US), CA Technologies (US), Commvault, (US), Dell (US), HPE (US), Oracle (US), Microsoft (US), Veritas Technologies (US), Acronis (US), NetApp (US), Unitrends (US) and Veeam (US).

Per Market and Markets, in 2014, backup and recovery services in the segment expect to do **\$5.2 Billion growing to \$14.4 Billion** by 2018 for a 32% CAGR. Per the Aberdeen Group, SMB's are currently the biggest adopters of cloud-based data recovery/business continuity solutions

Monthly Recurring Revenue (MRR) Model – We Bill Monthly for our Subscription

In our industry, companies that can demonstrate MRR average a 6x revenue multiple for valuation, compared to a 3x revenue multiple for companies that sell perpetual licenses or have a one-time purchase price. Essentially, recurring revenue doubles the value of software companies.

There are several reasons why buyers are willing to pay more for companies with established recurring revenue streams.

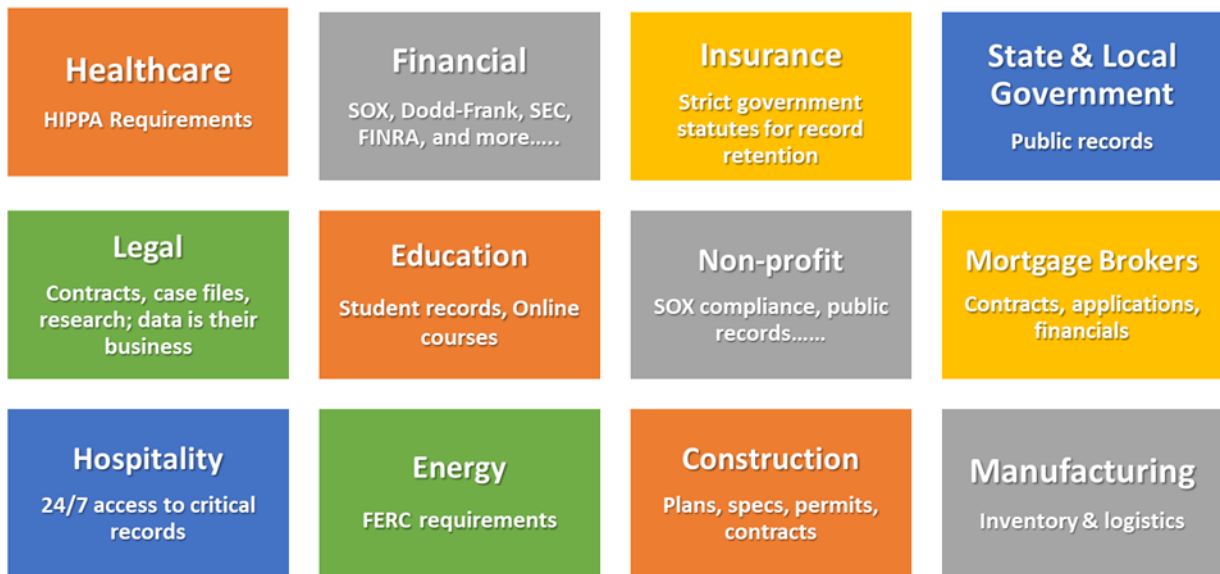
- **Revenue and Cash Flow** - Buyers can count on recurring revenue right out of the gate. With guaranteed cash flow it is easier for companies to repay loans and meet other financial obligations.
- **Predictability and Stability** - Businesses with recurring revenue are predictable. Owners forecast revenue months in advance and create budgets with a higher degree of certainty.
- **Reduced Risk and Growth Potential** - Recurring revenue streams serve as a buffer for income fluctuations. As a result, these businesses are less risky and present more opportunities for growth, especially if the buyer believes she can grow recurring revenue in the future.

Target Market Overview/Who We Sell To:

Our target for data backup/recovery, combined with file-sync – and share services, is the small to midsize business market (SMB). There are over 5.6 million SMB's in the USA with less than 500 employees. **SMB's know they cannot afford to lose their data**, but they typically lack the time, money and expertise to implement an effective solution.

Regulatory compliance is a driving factor for backup and recovery. The market is growing, and the opportunity is now.

SMB **Vertical Markets** That Must Meet Regulatory Compliance Include:



Target Market Characteristics:

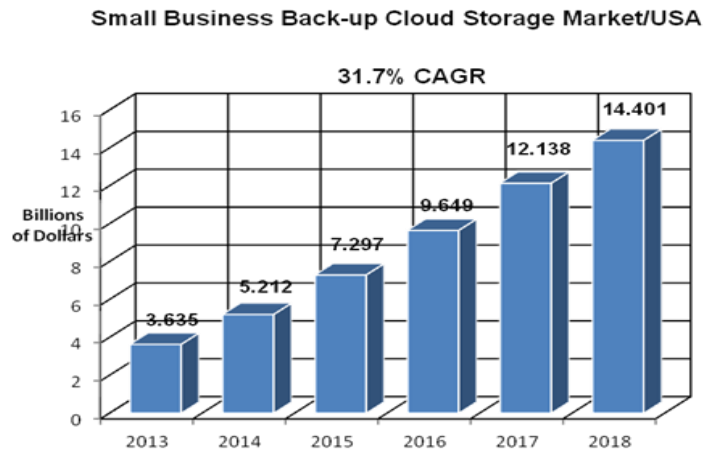
Suppose I lose my data? Small to midsize businesses (SMB's) are increasingly dependent upon computers. Data is the life blood of business, **they can't afford to lose their data**. More data is being created and stored, by companies of all sizes. Data will continue to grow at rates from 11% to 40% annually (Enterprise Strategy Group). Amount of data could grow by 50 times by 2020. (IDC). As a result, there are more threats than ever to data.

SMB's have limited IT resources and are more susceptible to hardware/software failure, human error, viruses such as cryptolocker –which infects computers and holds data for ransom. **SMB's don't have the time, money, or IT expertise to implement adequate backup/recovery** and collaboration solutions. Per PriceWaterhouseCooper, 70% of small businesses that experience a major data loss go out of business within a year.

A key target market characteristic is the fact that the total market for backup/recovery is fragmented, with over 1,000 primarily small companies, offering software only solutions in a global market. There will be a great opportunity to consolidate the market.

Target Market Size and Growth:

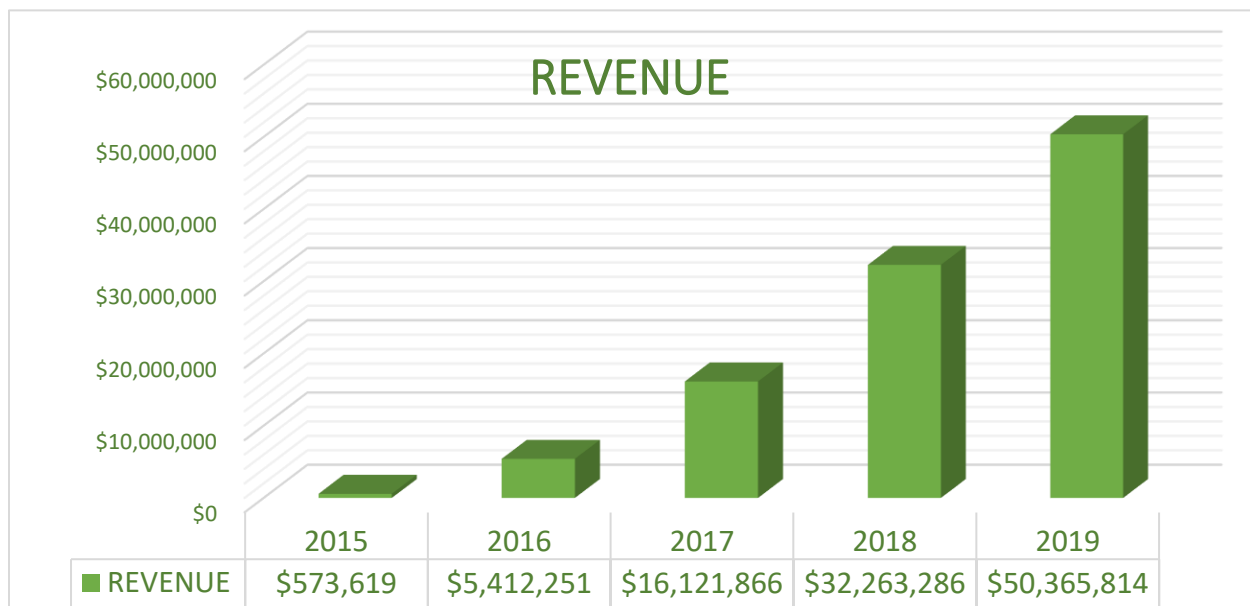
Per Market and Markets, in 2014, backup and recovery services in the segment expect to do **\$5.2 Billion growing to \$14.4 Billion** by 2018 for a 32% CAGR. Per the Aberdeen Group, SMB's are currently the biggest adopters of cloud-based data recovery/business continuity solutions.



Market Share Potential:

Our target market is projected to hit \$14.4B in 5 years. Our sales forecast is for \$573k in year one, to \$50M in year five (144% CAGR). **We will have less than a 1% market share.** Our marketing structure is scalable, the bigger our investment in marketing, the bigger our market share. This market share is obtained with a team of 8 sales people, 4 account managers and 4 sales engineers.

Projected Revenue:



Market Pricing:

The pricing strategy is market based and positioned for the price sensitive SMB market by delivering a turn-key solution with no CapEx or startup costs. Services are bundled for a fixed monthly fee, dependent upon the needs of the customer.

Our value is two-fold: Cost Avoidance – if an SMB loses all of their data they risk going out of business; ROI: File sync and share features are tools designed to help increase employee productivity and written communication with customers. SMB's currently share files via email or pay for products like Dropbox or Box.

We are not the cheapest or highest price –at the low end Carbonite's new hybrid is \$99 per month, MozyPro, Cloud only, is \$379 per month. Dropbox for business is \$15 per month per user with a \$75 monthly minimum. Our bundles are priced from \$199 to \$699 per month and provide a **superior feature rich solution – a better value**. We are competitively positioned and priced to meet the needs of the SMB market.

Our high Gross Profit Margin (76%) allows us pricing flexibility.

Our pricing structure is Monthly Recurring Revenue (MRR). The Average Revenue Per Unit (ARPU) is \$324 per month.

Per our sales plan, MRR at the end of year one is \$144k, at the end of year five it is \$4.9M. This assumes a 2% attrition rate.

Duracel Cloud Monthly Pricing Turn-Key Bundled Solution:

Bundle	BusinessPro 201	BusinessPro 202	BusinessPro 204
Hard Drive Size	1TB	2TB	4TB
Hard Drives Included	2 (Mirrored)	2 (Mirrored)	2 (Mirrored)
Local Backup Capacity	1TB	2TB	4TB
Work Station Agents	20	20	20
Cloud Storage	Unlimited	Unlimited	Unlimited
Price per Month	\$199*	\$399	\$699

*IS IT WORTH \$0.28 PER HOUR TO:

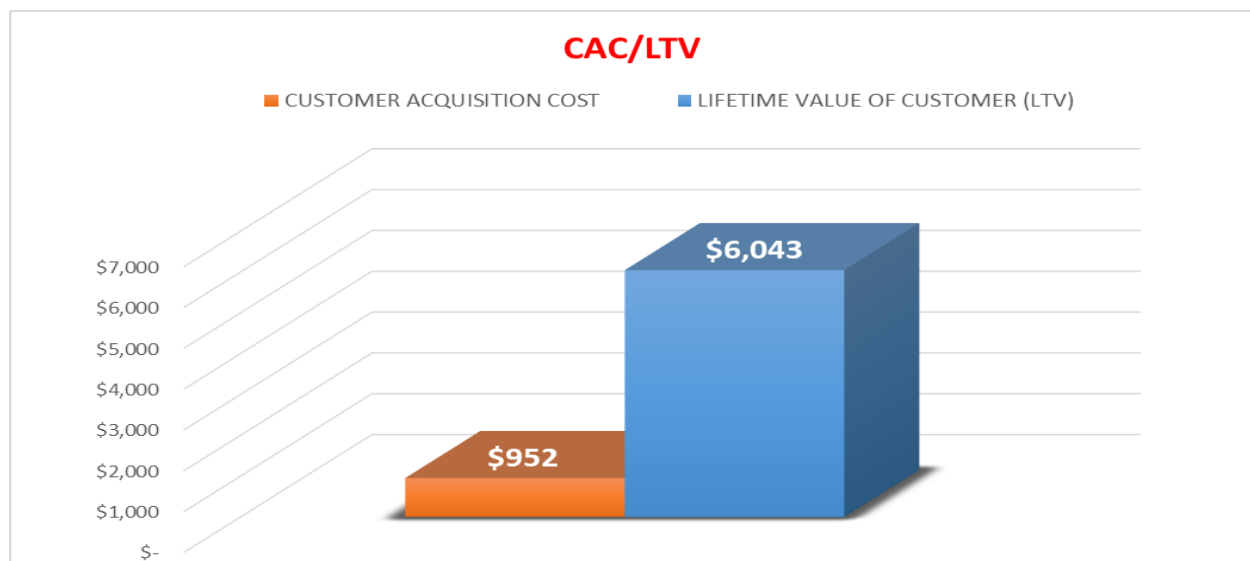
- **Protect Your Business Data 24/7**
- **Improve Productivity with Access Anywhere, Anytime with Any Device**
- **File Sharing and Collaboration with Peers, Clients And 3rd Parties**
- **Benefit from Enterprise Level Security for Maximum Data Protection**

$$*\$199/720 \text{ Hours Per Month} = \$0.28$$

Competitive Comparison:

BARACUDA			CARBONITE			DURACEL CLOUD		
Appliance:	Features:	Price	Appliance:	Features:	Price:	Appliance:	Features:	Price:
Baracuda 390		\$2,374	HT10		\$1,199	BusinessPro 201		Included
Local Backup Capacity	1TB		Local Backup Capacity	1TB		Local Backup Capacity	1TB	
Total Capacity	2TB		Total Capacity	1TB		Total Capacity	2TB	
Mirrored Disk Drives	x		Mirrored Disk Drives	No		Mirrored Disk Drives	x	
Act as File Server	No		Act as File Server	No		Act as File Server	x	
File-Sync -Share	Limited		File-Sync -Share	No		File-Sync -Share	x	
Local Copies of Data	2		Local Copies of Data	1		Local Copies of Data	2	
Platforms Supported:			Platforms Supported:			Platforms Supported:		
MS Windows	x		MS Windows	x		MS Windows	x	
SQL	x		SQL	No		SQL	x	
MS Exchange	x		MS Exchange	No		MS Exchange	x	
Sharepoint	x		Sharepoint	No		Sharepoint	x	
MS Hyper V	x		MS Hyper V	No		MS Hyper V	x	
VM Ware	x		VM Ware	No		VM Ware	No	
Linux	x		Linux	No		Linux	x	
Mac	x		Mac	No		Mac	x	
Cloud Storage	Unlimited	\$1,186	Cloud Storage	500GB		Cloud Storage	Unlimited	\$1,548
Server Agent	1		Server Agent	1		Server Agent	1	\$120
Add on Cloud Storage	N/A		Add on Cloud Storage	600GB	\$600	Add on Cloud Storage	N/A	
Maintenance		\$426	Maintenance			Maintenance		
Total 1 Year		\$3,986	Total 1 Year		\$1,799	*Total 1 Year		\$1,668
http://www.barraguard.com/Backup-390.asp			http://www.carbonite.com/backup/pricing-plans			*\$129 per month (3 Year Term -\$1,668 per Year)		

LIFETIME VALUE OF NEW CUSTOMER/CUSTOMER ACQUISITION COST:					
Assumes new customers buy the Service for an ARPU of				\$324	Per Month
Customer Acquisition Cost (CAC)				Lifetime Value of Customer	
MONTHLY:				MONTHLY:	
GROSS ARPU	\$324			*LIFETIME OF CUSTOMER (MONTHS)	33
GPM	56%			LIFETIME VALUE OF CUSTOMER (LTV)	\$6,043
GROSS PROFIT ARPU (GP)	\$181			EVERY \$1 SPENT/DOLLAR RETURNED	\$6.35
ATTRITION	3.0%				
Total Sales & Marketing Spend	\$380,883			BREAKEVEN MONTHS	5.25
New Customers Per Month	400				
CUSTOMER ACQUISITION COST	\$952				



Barriers:

We have the people, products and technology in place. The biggest barrier we face is raising enough capital to implement our business plan.

Competitor Research:

The largest competitors in our SMB target market are **Mozy**, owned by EMC Corporation (EMC), NASDAQ, and **Carbonite**, (CARB) NASDAQ. Mozy competes in all 3 market segments. Carbonite is primarily in the consumer market, but is aggressively entering the SMB space with a recently announced hybrid solution, and they are moving to a channel sales model.

There are fewer competitors in our SMB market that provide a turn-key hybrid solution along with file sync – and share. Per Gartner Competitive Landscape: *Backup and Recovery Appliances for Open Systems, Worldwide, 2013* “we believe backup appliances are becoming a top consideration for backup and recovery.” With the focus shifting toward Appliances, many of the small software only companies will disappear or be consolidated.

Strengths and Weaknesses of Competitors

Mozy's strength is its financial stability since it is owned by giant EMC Corp, market cap of \$56 billion. EMC acquired Mozy in 2007 for \$76 million. The negatives of being owned by a large company is their inability to innovate and move quickly in the market.

They are in the Consumer, SMB and Enterprise markets -3 diverse markets with different needs. They use Enterprise type pricing in our SMB market space. For example, a 1TB cloud only solution is \$379.99 per month. This is not a hybrid solution, does not include an onsite appliance, (MozySync is available), only 1TB offsite cloud services. Our hybrid solution with a 2TB appliance, unlimited cloud storage and file share-sync is \$199.99 per month. We understand the price sensitive SMB market.

Carbonite, market cap of \$400+ million, is primarily a cloud service company with cheap backup and recovery products for the consumer market. They recently entered the SMB market due to the tremendous growth opportunity. They introduced a cheap appliance designed for Windows, no Mac, Linux, only 1TB of storage, and 500MB of cloud storage for \$99 per month, additional cloud storage is \$8.33 per month per 100MB.

To match our entry level bundle, they need to add 1.5TB for an additional \$128 per month, for a total \$227 per month. Plus, their appliance can only handle 1TB. File sync-share can be added. Once you exceed 1TB of storage you have outgrown the appliance.

Our low end bundle with 2TB Appliance (twice the storage) file server, file sync –share and unlimited cloud storage is \$199.99 per month and the Appliance is expandable to 8TB. In December 2014, J2 made an unsolicited offer to buy Carbonite for nearly 4 times annual revenue. Carbonite has a negative EBITA. Negotiations are in process.

Our primary competitive advantage is that we provide a feature rich hybrid solution with unlimited cloud storage along with file server, file sync –and share for an affordable fixed monthly fee from a known and trusted brand in a highly fragmented market.

Another big advantage is our Channel distribution model. Our partners do not need to buy our products, mark them up, and bill the end user. We bill the end user directly, at one consistent price – price integrity- and pay our channel partner up to 20% of the recurring revenue. The channel partner can build a nice monthly recurring revenue stream without any capital outlay or back office billing issues.

SWOT ANALYSIS

Primary factors

S Strengths <ul style="list-style-type: none">• Proven Sales & Management Team• New technology solution for old problem• Local support and service by Channel Partners to end users• Single source solution, replace multiple vendors• Provide large account service to SMB's• Provide MRR to Channel Partners	W Weaknesses <ul style="list-style-type: none">• Start up company• Limited financial resources
O Opportunities <ul style="list-style-type: none">• Early entry into a potential \$14B market• Capture early market share lead• Develop high market valuation as an early adapter• Positioned for an IPO	T Threats <ul style="list-style-type: none">• Bigger competitors enter market• Technology does not work• Losing access to capital markets

Unique Selling Points:

Traditional Backup	Duracell Hybrid Solution
Recovery can take weeks following a disaster	Recovery is reduced to hours, minutes, or even seconds
High risk for human error	Full automation backup process
Difficult to test if backup is working properly	Screenshot backup verification; easy to test backup
Expensive and timely to make multiple backups	Each backup is saved in local appliance and secure data centers
Backup speeds are slower	Backup speeds are fast; Critical data can be prioritized
Physical to virtual conversions can be time consuming and have a high failure rate	Incremental backups can be instantly virtualized, rather than the entire backup chain
No redundant backups in multiple locations	Automatic redundant backup, allowing your business to run off the secure cloud in event of a disaster
Limited options for encrypting data, may not pass industry regulations (i.e., HIPAA, SOX)	AES 256 and SSL key-based encryption ensures data is safe and meets industry regulations (ie. HIPAA, SOX)
When recovering data, tape failure rate exceeds 50%	Minimal risk of corrupted backups or data loss
Potential for theft	Off-site backups stored in SSAE 16 data centers

The Duracell Brand Name.

The Duracell brand name give us instant market recognition. We can leverage the years and millions of dollars it took Duracell to build brand recognition – *a name that users know and trust*. The market is filled with small technology companies that nobody has heard of.

4-In-1 Hybrid Single Source Solution.

The technology allows us to position ourselves as a **single source solution** that can replace a File Server – Tape/Disk backup system – offsite cloud storage – file sharing/collaboration programs. The system is easy to install and manage. **It will save time, money and technology hassle.** All-in-One solution from a brand name users know and trust.

Cost Effective Windows 2003 File Server Replacement – End of Service Deadline July 14, 2015.

There are roughly 20 million Windows Server 2003 file servers still operating in the SMB and enterprise space. Our channel partners have opportunities to profit from companies lacking the manpower and resources to make the migration. **Our 4-in-1 solution will replace the file server**, plus provide the added benefits of our all in one hybrid data protection solution. Due to budgetary constraints or reliance on outdated 32-bit programs, migration is a daunting task for many SMB users. It is a fraction of the cost, and no hassle to migrate to our solution. Plug the Appliance into the LAN; your data is quickly backed up and files are ready to share.

2. Product Development Plan

Description of our Product/What we Sell:

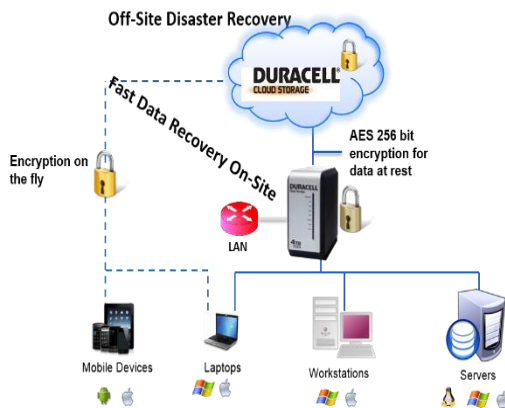


4-in-1 HYBRID SOLUTION: PROTECT /ACCESS/SHARE BUSINESS DATA

1. FILE SERVER
2. ON-SITE TAPE/DISK BACKUP
3. OFFSITE CLOUD STORAGE
4. FILE SHARING/COLLABORATION PROGRAM

The Duracell Cloud solution is cost effective, highly secure, easy to use solution that allows small to mid-size businesses (SMB'S) to protect, access and share their valuable business data. SMBs in general don't have the same IT budgets and staffs as larger enterprises. Yet just like larger organizations they need to protect, access and share their data. Data is the lifeblood of an SMB.

Conversely, consumers and small businesses have numerous low cost backup and recovery products, such as Google, Microsoft and Dropbox to protect and share their data. Large companies have high end options from companies like EMC, HP, Dell and more. **We provide the solution typically reserved for big businesses, to the vast, fast growing SMB market, at an affordable price, without complex technology to manage.**



Our innovative solution is a "hybrid" model. The onsite Appliance plugs into the Local Area Network (LAN) and automatically backs up all of the data from the File Servers and Computers. Additionally, all of the data backed up onto the Appliance is automatically backed up to the Cloud over an internet connection.

This is the best of both worlds - all of the data is backed up onsite - for fast recovery, and offsite into the Cloud for disaster recovery in the case of a local disaster. It provides peace of mind to know that your data is securely backed up in two locations.

Business people today work in the office and from remote locations. With our system, they can access their data anytime, anywhere from any device, such as Smart Phones, and Tablets, via a web browser. Also, there are powerful features for sharing files and projects securely with users working outside the office, customers or 3rd parties. Most email systems have a limitation on the size of email attachments.

The Duracell Cloud service allows you to send links to files or folders of any size that reside on the appliance or are stored off-site in the cloud. Employees do not have to put corporate data at risk by using consumer tools such as Dropbox. The capability to easily and securely access and share data

saves time, money and improves productivity. These tools help provide a competitive advantage in our increasingly competitive economy.

Current Status of Products:

We currently have 100 customers producing MRR of \$32k per month. We sold our turn-key solution to our channel partners, they sold it to the end user.

Product Development Research and Goals:

Data Center

The Company hosts its cloud storage systems at commercial Data Centers, designed to a high degree of fault tolerance. Currently it is using Amazon.

As storage grows, the Company plans to remain one of the low cost providers of storage through a design of its unique storage systems, Storage Blox. The systems is energy efficient, scalable, and cost effective, with hardware storage servers designed to run modern object storage software systems for public and private cloud storage infrastructure projects. Storage Blox is the only system known that is designed to scale from a single 4U (7 vertical inch) rack mountable storage chassis with 360 Terabytes (TB) of raw storage to a 1000 chassis system supporting 360 Petabytes (PB). The system scales from as few as 64



hard drives in a single redundant chassis to more than 64,000 hard drives in a single Storage Blox cluster using only 100 cabinets of data center space. The Storage Blox system is designed to run the latest Redhat Linux/CentOS linux operating systems.

The Storage Blox 4U – 1 to 1000 units in a cluster. Each Storage Blox 4U chassis is in reality a cluster of 10 64-bit Intel Atom Server on Chip (SoC) micro servers, each with its own storage controller and 8 hard disk drive array housed in a single 4U chassis with redundant power supplies and 10GbE embedded network connectivity. Data can be replicated within a single chassis deployment for 99.999% data durability. Unlike other hardware systems, which require 3 or more separate servers, complete redundancy is contained within a single Storage Blox chassis. The Company currently estimates Storage Blox to afford it a low and stable price for storage.

We need to develop a stronger billing system to bill the end user directly and pay our channel partners a monthly commission.

Intellectual Property:

At this point in time we do not have any proprietary intellectual property. In the future, we will be customizing the software and hardware to add unique features.

Sourcing and Fulfillment:

We have long term strong relationships with our sourcing partners. Our primary supplier is CTERA. They supply the Appliance for the onsite storage piece of our hybrid solution. One of there key technology people will be joining our team. We do all of the fulfillment from our location.

3. Marketing and Sales Plan

Positioning:

Duracell's entry into the Cloud Storage business is an innovative extension of the existing flash memory space which was started in 2007. Duracell is a recognizable brand that "users know and trust." **With no clear cut industry leader, the Duracell brand name will provide instant credibility** and generate significant revenue opportunities for our partners.

Our single source solution is competitively positioned to save SMB's time, money and IT hassle by replacing multiple complex IT products with one simple, secure, easy to use and install solution, for a fixed monthly price that includes unlimited Cloud storage.

The solution functions as a file server, storage device for backup & recovery, and business productivity tool allowing employees to work, share, and collaborate securely from any device or location. Additionally, SMB's do not have to choose between on-site or off-site storage solutions. The solution is Hybrid – an onsite Appliance, combined with off-site unlimited Cloud storage and recovery. Our solution is also positioned to comply with industry regulations to serve our CP's that focus on vertical markets.

Promotion:

Promotion (Web Technology, Trade Shows, Networking Events)



The Duracell brand name will generate significant revenue opportunities. We will promote our solution via select trade shows, traditional web marketing, Webinars, and a mobile marketing platform to push our message to our Partners in the field.

The majority of our Partners now communicate via smart phone. We need to develop a mobile marketing platform to gain a competitive edge in communicating with our partners. With an outsourced mobile platform, we can push info to our partner's smart phones. Fewer of them are going to web sites and opening emails for information.

We need to further develop our web site, search engine optimization, social networking, webinar and partner portal marketing tools to effectively recruit and market to our Channel Partners. We currently have a partner web portal that allows our partners to buy products, download marketing resources, and track commissions. We will need Market Development Funds for our qualified channel partners. The funds will be used to help CP's jointly market and sell our products.

Sales Force:



Our sales model is a nationwide channel distribution network. This is the most cost effective way to market our product nationwide to the SMB market, as opposed to building a nationwide direct sales organization. The country will be divided into 8 local geographic regional territories.

Each Duracell sales professional (Channel Manager) will manage a regional, local territory. They will be based in their territory to provide a local presence. The Channel Manager's goal is to get 25 active channel partners (CP) each producing an average of \$650 new monthly recurring revenue. 25 CP's at \$650 per month is over \$16k per month in new recurring revenue –annualized – over \$1.2 million. 8 Channel Managers - \$9.6 million annually.

Typical types of CP's are: IT Service Providers, Independent Telco's, Print Service Providers, Cloud Service Providers, Technology Vendors, Business Consultants, Independent Software Vendors, Vertical Market Specialists and more. There are multiple sources to inexpensively buy lists of targeted prospective CP's to load into SF.Com, and target with webinars and personal contact. Recent reports from CompTIA and IPED show a current North American technology channel partner base of 160,000 companies. The average channel partner has eight employees, and 97 percent of them have fewer than 50.

Selling Strategy:

Channel Partners (Sell & Support the End User)



Our channel partners, (CP) sell and install our product into their existing customer base. The CP is local, and has an existing relationship with the end user and is typically a trusted advisor for business products and services. The SMB end user feels comfortable buying a mission critical product like backup and recovery from a trusted local source.

(Per Microsoft SMB Business in the Cloud 2012 Research Report, most SMBs feel it is important to buy services from a provider with local personnel, and wants as many services as possible from a single source). We bill the end user, and pay the CP a monthly commission based upon the monthly recurring revenue –up to 20% commission. This allows the CP to build a new recurring revenue stream without CapEx, billing and other back office costs.

Sales Quota (8 Territories -\$10k each x 8=\$80kMRR)

Each Channel Mgr. Sell A Minimum Of 10 New Channel Partners.
Drive Revenue With Each Channel Partner

Each Partner - *4 New Accounts @\$250 = \$1k MRR Per Channel Partner

10 Partners X \$1k Each = \$10k MRR Per Territory

8 Territories X \$10k MRR = \$80k MRR Quota

Unit	% of Sales	Monthly	Weighted AVG.
DC200	75%	\$199	\$149.25
DC204	25%	\$399	\$99.75
DC400	0%	\$699	\$0.00

MRR ARPU:

\$250* One Territory:

Sell *40 New MRR Accounts: \$10,000

Rule of 78: \$780,000

Unit	% of Sales	Monthly	Weighted AVG.
DC200	55%	\$199	\$109.45
DC204	25%	\$399	\$99.75
DC400	20%	\$699	\$139.80

MRR ARPU:

\$349

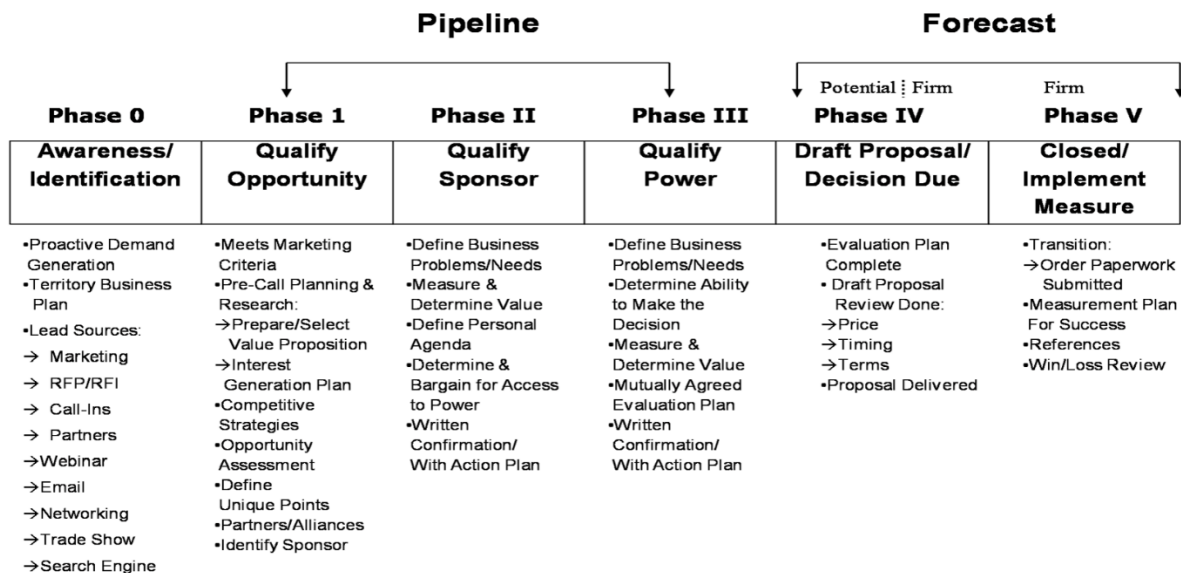
Sell 40 New MRR Accounts: \$13,960

Rule of 78: \$1,088,880

ARPU IMPROVES WITH SALES MATURITY

Solution Selling Sales Process

Integrated with CRM for Management Sales Forecast



Solution Selling • Joel Sparber • Proprietary & Confidential

Technical Support

The Company provides 3 levels of technical support for its CPs and end users. The main responsibility of Technical Support is to assist with the installation of the Company's services in a timely manner and resolve any technical difficulties users are experiencing with the service.

The first level of support the Company offers is found on its web site. It is being populated with Self-Help information, in the form of Q&A, white papers, instructional videos' and user guides. It is the goal of the company to provide all necessary information for the end user to be self-sufficient and able to independently resolve all their concerns.

The next level of support the Company offers is a Web Based ticketing system. End users and CP can enter problems or issues they are experiencing through a convenient Web interface trouble ticketing system. A trained US based technician will be assigned the trouble ticket and required contact the user immediately by telephone or email, whatever is most convenient for the end user. The technician has 24 hours to clear the ticket (fix the problem) or it gets escalate to tier 2 and tier 3 support. If unresolved within the Technical Support department, the trouble ticket continues to escalate finally reaching the CEO of the company.

The third level of support the Company offers is Technical Support Call-back. End users will be able to access Technical Support by phone and leave a message. The message will be assigned a trouble ticket internally, assigned to a Technical Support technician and process from then on exactly the same as a trouble ticket originated from the Web site.

Summary:

1. Market Analysis - We are in the **Data Backup and Recovery industry**. Data backup and recovery software solutions play a vital role to protect, replicate, and retain data in case of any manual or natural disaster. Companies cannot afford to lose their data.

We are an **early player in an emerging market**. Per Market and Markets, in 2014, backup and recovery services in the segment expect to do *\$5.2 Billion growing to \$14.4 Billion* by 2018 for a 32% CAGR. We need less than a 1% market share to hit our plan.

Monthly Recurring Revenue (MRR) Model. In our industry, companies that can demonstrate MRR average a 6x revenue multiple for valuation, compared to a 3x revenue multiple for companies that sell perpetual licenses or have a one-time purchase price. Essentially, recurring revenue doubles the value of software companies.

2. Product Development Plan – We have a unique, proven product in place. The Duracell Cloud solution is cost effective, highly secure, easy to use solution that allows small to mid-size businesses (SMB'S) to protect, access and share their valuable business data.

3. Marketing & Sales Plan - Our sales model is a nationwide channel distribution network. This is the most cost effective way to market our product nationwide to the SMB market, as opposed to building a nationwide direct sales organization. The country will be divided into 8 local geographic regional territories.

Joel Sparber • Marketing and Sales Plan

Our single source solution is competitively positioned and priced to save SMB's time, money and IT hassle by replacing multiple complex IT products with one simple, secure, easy to use and install solution, for a fixed monthly price that includes unlimited Cloud storage.

In a fragmented market, we will capitalize on the Duracell brand name to gain credibility and market share.

We look forward to deploying our investment capital to successfully execute our plan.

