Company Description

Saico Intelligence is a high technology consulting firm with a 10-year history of helping companies create business value. Based in Barcelona, we serve early stage and emerging growth companies in the software, Internet, communications, energy, agro food, med-tech and biotech industries. Our clients include corporations, technology centers, research institutes, start-up companies and venture capital firms.

Since 2004, we have successfully completed engagements with companies in the Barcelona area and across a broad range of markets. We specialize in helping entrepreneurs and senior managers launch new businesses, identify profitable new markets, formulate effective marketing and corporate strategies, accelerate top-line revenue growth, evaluate and consummate acquisitions and divestitures, and market products and services more effectively. We also advise venture capitalists, helping them make smart investments and improve the performance of their portfolio companies.

In every assignment, we strive to have a significant impact on our clients' performance. We also know that relationships are the foundation of our practice. So we work hard to build and sustain long-term associations based on trust and mutual respect. This approach sets us apart from most other consulting firms and is the reason why so many of our clients return with follow-on projects. Our results-oriented services, based on years of accumulated knowledge, insight, and experience, have enabled us to become one of Barcelona's most successful high technology consulting firms.

Areas of expertise

We provide marketing, strategy, business development, M&A, and financial expertise to entrepreneurs, CEOs of emerging growth companies and intrapreneurs of well established companies, either on a project basis or as an interim management team member.

<u>Fundraising and New Business Creation</u>

- Validate the market for new products through interviews with prospective customers, channel partners, or industry experts
- Develop effective market entry strategies
- Author business plans for start-ups or corporate spin-outs
- Create compelling corporate fundraising presentations for venture capital and institutional investors
- Arrange financing through introductions to top tier venture capitalists and angel investors
- Coach CEO's on successful fundraising techniques
- Develop detailed five-year financial plans based on reasoned assumptions

Marketing

- Market research and validation to create focused, effective go-to-market strategies

- Position products for success based on a detailed competitive analysis
- Price products to maximize revenues and market share
- Design and build a web site from the ground up, including copywriting
- Author white papers, product briefs, and data sheets
- Define the features and functionality required for new or next generation products
- Create new channels of distribution through VARs, resellers, and systems integrators
- Provide interim marketing management

Strategy

- Develop growth strategies to increase revenues and profits by leveraging the assets of the core business
- Develop new business strategies to support corporate turnarounds and re-starts
- Recommend whether to acquire, invest in, or divest product lines or businesses
- Facilitate management off-site strategy planning meetings using a proven methodology and strategy framework
- Business Development / Mergers & Acquisitions
- Provide investment banking services: mergers, acquisitions, divestitures, and management buyouts
- Negotiate a transaction's price, forms of consideration, and payment terms.
- Conduct detailed due diligence
- Facilitate corporate spin-offs and spin-outs
- Negotiate technology licensing agreements
- Structure and conclude effective corporate alliances
- Provide interim business development management
- Interim Management
- Take interim management positions in business development, marketing, and finance.
- Past assignments include interim VP, Marketing; VP, Business Development; VP, Finance; or CEO
- Our work is custom, designed to meet each client's specific needs. At the start of each project, we work closely with management to define the objectives, work plan, deliverables, schedule, and fees.

Participation in R&D projects

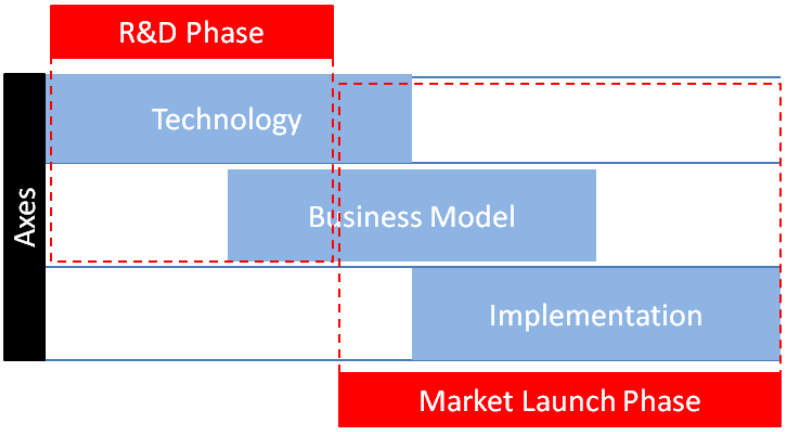
The transfer of technology to the market is a very complex process that requires the pooling of various viewpoints. In SAICO's R&D department we investigate to improve this process working with companies and research centers.

Any technology-based business requires developing fundamental knowledge on three axes: technology, business model and implementation. The degree of knowledge of the technology business increases as we move from the R&D phase into the Market Launch phase.

Within the R&D phase, most of the generated knowledge is associated with technology but some knowledge can be derived from the first iterations with the business model. This knowledge from the business model is crucial to obtain the highest possible Return on Investment (RoI) and to ensure the continuity of the project by attracting new investment.

Within the Market Launch phase, fine tuning of the business model is made and new knowledge associated with the implementation of the business is generated.

The three knowledge axes and the two phases of the technology-based business are shown in the following figure:



SAICO's methodology is based on knowledge and experience gained from many R&D projects of which some have become technology businesses. During the R&D phase, the methodology is integrated into the R&D project life cycle, while ensuring confidentiality regarding information handled.

Technology Axis

The development of a technology is an experimental trial and error process. This process is usually managed by considering only the technological aspects and mainly from a technical standpoint. However, it can be very useful to incorporate other views in the technology development process during the R&D phase. Within this axis the following five stages are developed:

Stage #1: Technology Analysis

Initially, a detailed analysis of the different technologies to be developed is performed using standard taxonomies. Also, the maturity level of the technologies is evaluated using standards such as the Technology Readiness Levels (TLRs). The objective of this stage is to establish a clear diagnosis of the starting point of the project including a state of the art of competing technologies.

SAICO's participation in the project allows an individualized diagnosis of the project technologies based on the best suited standard TRL. Furthermore, the analysis allows particularizing for the markets initially considered.

Stage #2: Orientation of the POCs

A key aspect in the R&D phase is guessing right the hypotheses that are to be tested and building the precise test environment to get the desired results. It is necessary to restrict as much as possible the test environment to facilitate the technology development, but without compromising the subsequent application of technology.

SAICO's participation in the project covers this process by providing relevant information on the application domain for the Proofs of Concept (POCs). This methodology allows proposing changes of direction in the POCs to perform the tests in conditions comparable to the subsequent application of technology.

Stage #3: Strengthening of Intellectual Property

Normally, the Intellectual Property (IP) of technology lies more in the knowledge of the researchers than in the patents themselves. However, the absence of a patent or a weak patent greatly reduces the value of technology because it can be easily stolen or copied by a third party. IP can be strengthened through small patented inventions made in the course of building a prototype.

SAICO's participation in the project covers this process through regular assessment of progress in building prototypes from the point of view of their inventiveness and patentability. This methodology allows generating strong patents that protect the technology and facilitate the closure of license agreements with customers or investment rounds with investors.

Stage #4: Market Research

Any R&D project establishes a hypothesis regarding the market. It is often argued that the new technologies developed have great potential and will bring competitive advantages. However, this is only a hypothesis that should be tested as any other scientific hypothesis. To do so, some control points are defined along the R&D phase to perform market research and define corrective actions when appropriate.

SAICO's participation in the project covers this process through a regular dialogue with the market. This methodology allows listening to the market during the R&D phase to monitor the progress of competing technologies, which is especially necessary in highly dynamic environments where technologies are renewed quickly.

Stage #5: Risk Reduction

The market for the project's technology is none other than the following partner who will invest in it, whether is a customer that purchases a license for exploitation or an investor that invests in a spin-off created as a vehicle to bring the technology to the market.

This potential client or investor will perceive many risks associated with the technology itself. This partner might argue whether it can be transferred to a manufacturing environment with an acceptable cost or whether it will work in a given scenario not initially foreseen by the researchers. These risks depend on who is the potential partner and are usually very different from those perceived by researchers developing the technology.

SAICO's participation in the project covers this process by early identification of potential partners and the definition of milestones for reducing the perceived risk and enhancing the perceived value of technology. This stage is crucial to ensure project continuity.

Business Model Axis

The first version of business model for a new technology will usually not work. Several iterations with customers, investors and end users are required to adjust the business model. These tasks are usually performed after the R&D phase but nonetheless can be very useful to incorporate some preliminary iterations of the business model within the R&D phase. Within this axis the following six stages are developed:

Stage #1: Value Chain

Each technology can be part of one or more value chains based on the application domain. Furthermore each company or research center may be located differently in the value chain.

SAICO's participation in the project covers the process of identifying all possible value chains for technology. The comparative analysis of the various value chains helps to identify the initial application and the initial market.

Stage #2: Initial Application

Normally there are several applications for the same technology. Having several possible applications maximizes the interest and potential impact of the technology, but the lack of focus also makes more difficult to reach the maturity level for subsequently transfer the technology to the market. Even when the same technology can be applied in various fields, it is useful to focus on an initial application during the R&D phase, to reduce as much as possible the technology risks.

SAICO's participation in the project covers the selection process of the initial application taking into account the customers and the short-term market acceptance.

Stage #3: Initial Market

In parallel with the definition of the initial application, at this stage the initial market is characterized. This means characterizing who the "lead users"are, where they are, what is their history of adoption of new technologies, what they need to see to demonstrate the benefit of the technology, who the decision makers are, what will be the acquisition cost for them, what is the overall turnover, etc.

SAICO's involvement in the project covers this characterization of the initial application market. This analysis provides valuable information for building the adequate prototypes to demonstrate the value to clients and investors.

Stage #4: Scope and Strategy

After determining the value chain, the initial application and the initial market, the next step is to define the scope and strategy to position correctly the business in the value chain. It is very difficult to create from scratch a vertically integrated business and is neither the most practical nor the most convenient. Elements such as the window of opportunity of the business, the financial standing, the existing internal capabilities, the strength of the IP or the established business relationships must be taken into account.

SAICO's participation in the project covers this process consulting on the business scope and strategy. The analysis establishes what is to be done internally and what should be outsourced to suppliers, partners or strategic allies.

Stage #5: Revenue Model

The revenue model describes how the technology-based business captures the value. Depending on the position in the value chain and the defined scope, the model can be either: technology licensing, sale of final product to dealer, sale of solution to end user, funding for R&D, etc. Also different payment methods can be set: royalty payments, pay per use, freemium, etc. The revenue model provides the expected time to recover the investment. All these considerations, together with the psychology of the market, determine the choice of the most appropriate revenue model.

SAICO's participation in the project covers this process of designing the revenue model for the business.

Stage #6: Investment Model

The investment model can be derived from the results of the previous stages in the business model axis. The definition of the initial application allows roughly assessing their development costs, the definition of the initial market assesses the costs of marketing and business development that will be needed, the scope allows evaluating the internal capabilities that shall be constructed and the definition of the revenue model allows estimating the time to get the investment back.

SAICO's participation in the project covers the process of evaluating the minimum investment required to continue the project in the Market Launch phase.

Integration of the axes of technology and business model

The work on both axes, technology and business model, take place in parallel in the R&D phase. All steps previously defined within each axis are interrelated as shown in the following figure: