



Wireless Commerce Automation

Wireless Equipment-driven Re-supply and Service Commerce

Wireless Commerce Automation brings the power of re-supply automation and service automation to industrial equipment manufacturers who sell through global, highly mobile trading partners. The company delivers cellular wireless and Bluetooth™ wireless applications that automate mobile commerce, services and re-supply sales business processes across multiple demand chain, supply chain and value chain trading partners.

Global companies that sell high-value capital equipment must also re-supply consumables (e.g. grinding teeth, blades, etc.), forward-deploy repair parts and quickly respond to service problems. Because industrial capital equipment produce significant revenue for their owners, down-time due to delays in delivering consumables, parts and service can have dramatic financial consequences. Wireless Commerce Automation exploits equipment intelligence to enable pro-active service and re-supply automation. By integrating existing intelligent capital equipment with wireless mobile e-business and mobile e-commerce applications we can speed the exchange of equipment diagnostics, consumables re-supply releases, repair parts orders, shipping requests and service scheduling.

Wireless Commerce Automation delivers these second generation wireless business applications based on a secure wireless application framework that supports a wide variety of wireless and wired devices. In addition, Wireless Commerce Automation provides the equipment monitoring agents required to collect and consolidate service and re-supply business information. Finally, Wireless Commerce Automation provides the back-end commerce infrastructure and back-office integration required to successfully deploy wireless commerce solutions.

Industrial Supply and Service Challenges: For Industrial Equipment manufacturers, field product service problems can mean the loss of tens of thousands of dollars in revenue for their customers. Existing equipment diagnostics can often identify potential service problems well in advance of a break-down. But, currently the diagnostics often only report major problems on an local operator display. This requires the operator to then notify the dealer and request service support. Depending on the problem, the location of the equipment, availability of parts and the availability of service personnel, the equipment may be unusable for hours or days. These problems can be caught well before a problem is serious enough to stop operation by reporting questionable diagnostic information via Wireless Global Area Networks (e.g. Teledisk satellite), Wireless Wide Area Networks (e.g. WAP-enabled Cellular) or Personal Area Networks (e.g. BlueTooth) to the service representative, dealer or manufacturer. With up-to-the-minute diagnostic information, our applications can identify potential service or re-supply problems, order necessary parts and schedule service and sales personnel to respond to the equipment-reported problem.

Wireless Business Applications: Wireless Commerce Automation is delivering applications and services which enable the aggregation of industrial-driven commerce up, and down, the supply/distribution chain via machine-driven re-supply and service e-commerce. These solutions will allow our customers to extend their diagnostic and supply chain systems from the machine to field personnel to dealer to manufacturer to supply chain partners in seconds any time anywhere around the globe. They are based on the following application and infrastructure products:

| | Product | Version | Availability |
|-------------------------|------------------------------------|---------|--------------|
| Applications: | Commerce Automation Applications | 1.1 | Now |
| | Service Automation Applications | 2.0 | Q4 2000 |
| | Re-Supply Automation Applications | 2.2 | H1 2001 |
| Servers: | Secure Web Application Server | 1.1 | Now |
| | Secure Synchronization Server | 2.0 | Q4 2000 |
| | EDI Commerce Integration Server | 2.0 | Q4 2000 |
| | Secure Wireless Application Server | 2.2 | Q1 2001 |
| | XML Commerce Integration Server | 2.2 | H1 2001 |
| Developers Kits: | Software Developers Kit (SDK) | 2.2 | H1 2000 |
| | Agent Developers Kit (ADK) | 2.2 | H1 2000 |

Type of Business: Software
Industry: Wireless Commerce
Markets: Global Industrial
Date Founded: 2000
Location: Massachusetts
Stage: REVENUE
Investment Round: Series B
Capital Required: \$10,000,000

Compelling Reasons to Invest

- Scalable Viral Business Model
- Tightly Managed Risk
- World-class Products
- Experienced Management Team
- Customers and Revenue

Management Team

- Brian D. Handspicker, President
- David Cruise, CFO
- Julia Tiernan, Controller
- TBH, VP Business Dev.
- TBH, VP Sales
- Robert Ferri, VP Marketing
- Jon Coleman, VP Engineering
- Bob Emery, Chief Engineer

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Business Plan Executive Summary

Product Highlights

- V1.1 Products Delivered
- V2.0 Schedule Q4 2000
- Three years in development
- Based on commerce and management standards
 - EDI
 - GCI
 - ebXML
 - cXML
 - Rosettanet
 - BizTalk
 - OBI
 - CPFR
 - SNMP
- Tested by Price/Waterhouse at HP Naperville Performance Center

Sales Highlights

- First Customer: Caterpillar
- 60 Qualified Sales Prospects
- \$135,000 revenue to date
- \$300,000 Q4 revenue projected

Compelling Customer Value

- reduced equipment downtime
- improved deployment of consumable & repair parts
- reduced inventory costs
- improved control over service & re-supply processes
- reduced overhead & field personnel costs
- increased revenue
- increased manufacturer's customer revenue
- increased manufacturer's customer loyalty
- increased manufacturer's customer satisfaction

Competitive Advantages

- Business Knowledge
- Fully Integrated Solution
- Predefined Legacy Integration
- Vendor Independent
- Standards Compliant
- Globalized & Localizable

Barriers to Entry

- Account Control
- Vertical Value-chain Control
- Distribution Channels Control
- Market Technology Control
- Market Mover Control
- Intellectual Property Control

Operating Status: Wireless Commerce Automation has deployed its Commerce Automation and Sales Automation products with its first customer, a Fortune 50 construction heavy equipment

| Prospect | % | Status | Close | Est \$K |
|----------------------|----|---------|-------|---------|
| Caterpillar - CRSS | | Closed | | 110 |
| "Medical ASP" | 50 | Eval | Q4 00 | 200 |
| "Plumbing ASP" | 25 | Contact | Q4 00 | 100 |
| HP - Workstations | 30 | Eval | Q1 01 | 500 |
| UT - Otis | 20 | Lead | Q2 01 | 500 |
| Caterpillar- Antares | 20 | Lead | Q3 01 | 500 |
| Caterpillar- Service | 20 | Lead | Q4 01 | 1000 |

manufacturer. The deployment includes reseller catalogs for 56 construction tools manufacturers.

Follow-on sales are possible to up to 125 trading partners of this first customer, plus addition

internal sales are expected over the coming year.

In addition, a Fortune 50 computer manufacturer is evaluating use of the Sales Automation product. Finally, OEM prospects in wireless online services (medical) and commerce online services (insurance, plumbing supplies,

commerce broker) offer opportunities for ongoing license revenue streams. With initial revenue of \$135,000 and projections of \$500,000 Q4 2000, the company expects sales and service revenue to ramp to \$6 million by year end 2001 with a \$10 million run rate. The company has a seasoned management team supported by initial financial, marketing and engineering teams.

| Heads Year-End | 2000 | 2001 | 2002 |
|-------------------|-----------|-----------|-----------|
| Administration | 4 | 10 | 13 |
| Sales & Marketing | 6 | 13 | 28 |
| Services | 7 | 10 | 15 |
| Engineering | 13 | 16 | 28 |
| Total | 30 | 49 | 84 |

Business Model: Wireless Commerce Automation has a scalable revenue model that exploits exponential and viral capture of industrial vertical markets. By enabling machine-driven sales and service e-commerce we support aggregation of industrial sales up and down the supply/distribution chain. We enter these vertical markets through major "anchor accounts" which become beach-heads for entire supply/distribution chains. We attack these markets with a product strategy that enhances product value to current customers when the initial customer's trading partners also install Wireless Commerce Automation products. This provides the initial motivation for our anchor account customers to provide introductions. We follow-up with a sales strategy that rewards existing customers for introductions to and support closing sales to trading partners by providing discounts on follow-on licenses for each successful introduction. We derive significant follow-on revenue from equipment client licenses (the "razor blades" to our applications) and value-added subscription services to gain an annuity stream from each customer and secure effective account control.

Market Analysis: Targeting under-served markets, Wireless Commerce Automation is focused on the 245,000 company, \$800 billion Industrial Equipment market with an estimated IT spend of \$20+

| Vertical Market | # Companies |
|---------------------------|-------------|
| Industrial Equipment | 139,982 |
| Vehicle Equipment | 27,854 |
| Electronics | 44,169 |
| Aerospace & Defense | 4,876 |
| Instrumentation & Devices | 28,287 |

billion. This market is 4 times larger than the high-tech sector on which our competition is focused. Wireless business applications are a rapidly developing, early market. Customers are recognizing that the leading enterprise software vendors do not have appropriate wireless solutions and this is creating a multi-billion dollar opportunity for vendors focused on wireless business applications.

Competitive Analysis: The wireless application industry is still in the very early stages of development, there is still little direct competition. However, as a hot investment space, we expect significant competition to develop over the next three years. To a lesser extent, existing enterprise-class software vendors will attempt to transition their products to wireless. Without development tools, internal IT departments are not expected to compete for at least 3 years.

Investment Opportunity: Wireless Commerce Automation is seeking \$10 million to order exploit its leadership position and to capture a significant share of the Wireless Business Application

| P&L | 2000 | 2001 | 2002 | 2003 | 2004 |
|-------------------|--------|-------|------|------|------|
| Total Sales | .605 | 6.3 | 24.9 | 48.8 | 87.6 |
| Total CoGS | .612 | 1.4 | 2.7 | 3.9 | 4.5 |
| Gross | (.007) | 4.9 | 22.2 | 44.9 | 83.1 |
| Operating Expense | 1.9 | 9.0 | 20.4 | 34.3 | 48.6 |
| Operating Income | (1.9) | (4.1) | 1.8 | 10.6 | 34.5 |
| Net Income | (1.3) | (2.8) | 1.0 | 6.8 | 22.8 |

Business Plan Executive Summary

market as it matures into a multi-billion dollar market. Proceeds will be used to continue product development and build a world class, global sales and marketing organization to formally launch the company and product lines.