



Sag Harbor Group

Profile

February 2002

SHG Overview

- ☑ Who We Are/ What We Do
- ☑ Recent Client Experience
- ☑ How We Work with Clients
- ☑ Next Steps

Who We Are/ What We Do

- ◆ Small team of experienced senior consultants, based in NY, Cambridge, Palo Alto, Austin
 - ◆ Founded 1992
 - ◆ Senior consultants with extensive line manager backgrounds
 - ◆ Affiliated with Michael Porter's Monitor Company, where larger teams needed
- ◆ Focus -- "virtual business development," high-growth businesses
 - ◆ New business creation/ pre-IPO fund raising and customer recruitment
 - ◆ Market strategy (pricing, segmentation, offer design, product marketing)
 - ◆ Acquisition/partnering/ new investors and customers
 - ◆ Extensive international business experience (Latin America, Africa, Asia, Europe)
 - ◆ Technology assessment -- focus on wireless, Internet, enterprise software
- ◆ Clients --
 - ◆ So far served > 50 leading enterprises around the world
 - ◆ >150 successful engagements
- ◆ Business model
 - ◆ Small high-velocity senior teams
 - ◆ "Virtual business development" teams - sales, investment, negotiation
 - ◆ Compensation - cash/ warrants / success fees tied to performance -- for raising money, generating reference customers and channel partners

Core SHG Team

◆ James S. Henry

- Managing Director (Sag Harbor)
- Global Account Manager, Monitor Company, '93 -
- VP Strategy Lotus Development
- Firm Economist, McKinsey & Co.
- Harvard AB '72, HLS '78, MA '78

◆ Eileen McGinnis

- Senior consultant (Palo Alto)
- Focus -- Internet strategy, competitive market strategy
- X Senior development manager, Sun and HP
- Stanford/ Tulane

◆ Blanche Brann

- Senior consultant (NYC)
- AT&T Solutions strategy
- UUNet/ ANS Internet
- Regis McKenna Marketing strategy

◆ Ed Resor

- Senior SHG Consultant (NYC)
- Experienced wireless/Internet technology expert
- Founder, Somalia Telecom Group ('93-)
- Investor/ advisor, GrameenPhone, Bangladesh
- McKinsey & Co. EM
- Yale BA '74, MPPM '80

◆ Dan Benderly

- Consultant, SHG (Greenwich)
- Extensive background in wireless industry
- MBA, Columbia U., '92
- B.E.E., Cooper Union, '88

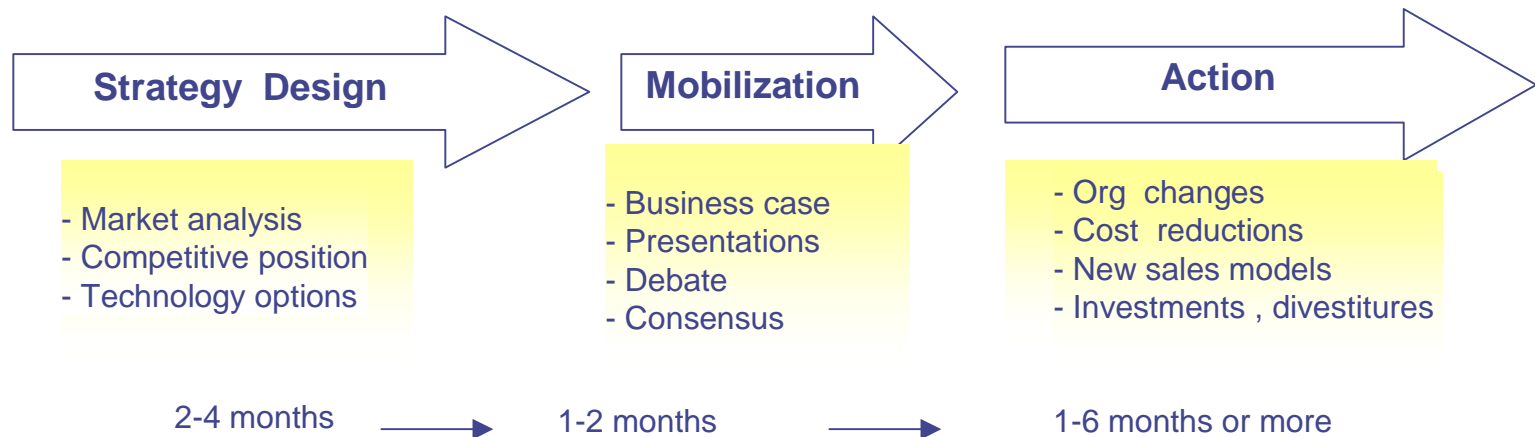
◆ Andres Carvallo

- Senior SHG consultant (Dallas)
- Focus -- tech business development
- Ran Phillips Consumer Communications -- 500 people, \$300 million sales
- Headed PC Business Unit, DEC -- 300 staff, \$220 million sales
- Software industry background - Microsoft, SCO Inc.
- Kansas U. ME, Stanford MA

◆ Chris Herot

- Senior consultant, SHG (Cambridge)
- Expert on Internet services, wireless data, unified messaging
- Director, Advanced Mobile Tech Group, IBM/Lotus
- VP Engineering, Bitstream
- VP Engineering, Javelin
- MIT: AB (Engineering), ME.

Classic Strategy Consulting (Usually for Large Corporate Clients)



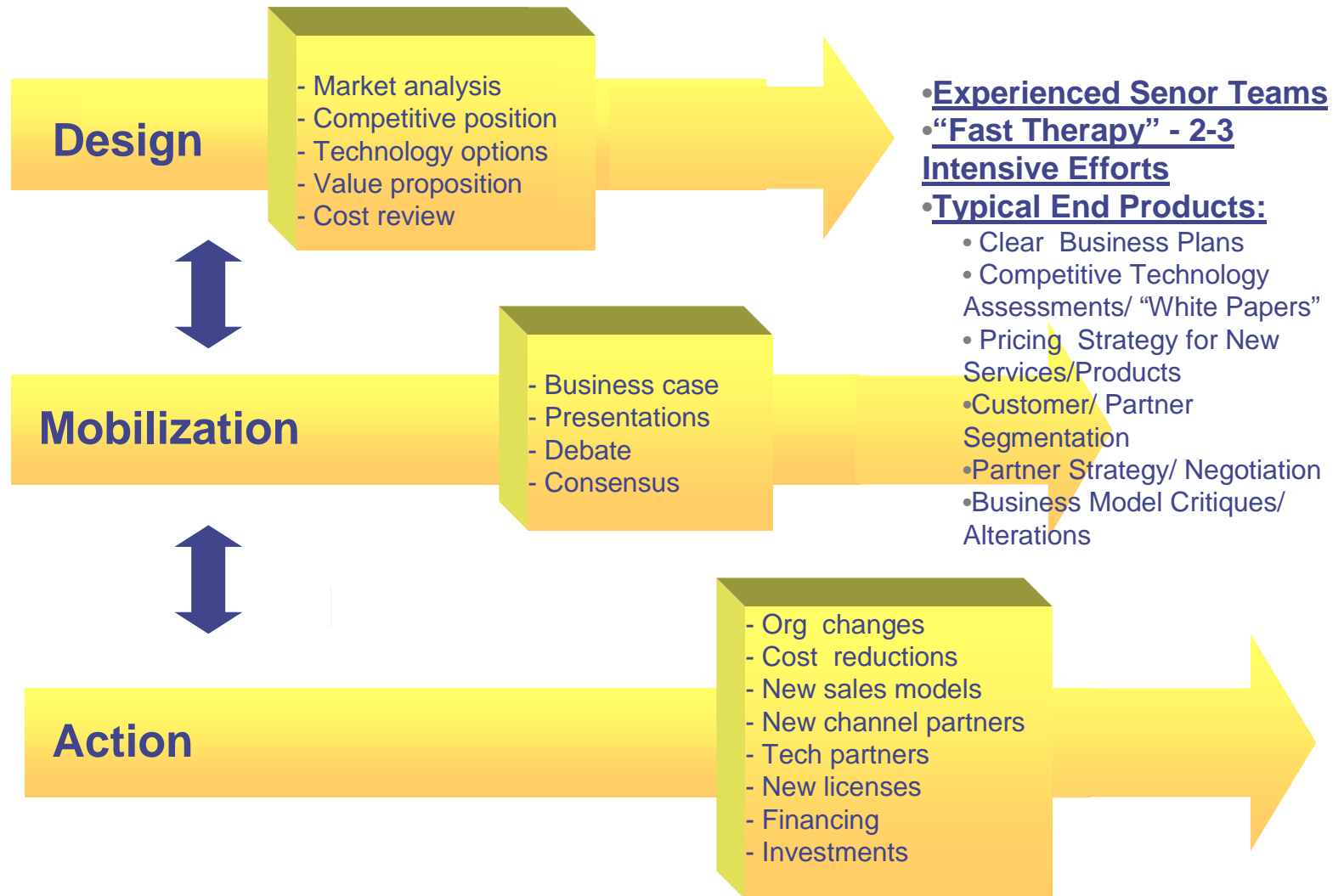
Typical Approach

One Engagement Director -- 10-20%
 One Engagement Manager -- 25-30%
 3-4 Associates -- 50%
 High per diems, all cash
 3-6 month assignments
 Analysis (vs. action) oriented
 Limited consultant industry/business
 experience
 Limited interest in new businesses,
 partnering support, investment

Examples

McKinsey, BCG, Booz Allen -- fresh MBAs
 Monitor Company -- fewer MBAs, fresh BAs

SHG Approach



SHG Client Experience

◆ Selected “Public” Examples

- Agea.com
- Arch Wireless
- AT&T Corp.
- ABB
- A.T.Kearney
- BDA
- Cemex
- Newscale.com
- ChinaTrust
- GE
- Global Wireless Holdings
- FBI
- Flooz.com
- GM
- Graviton
- Hillcast.com
- IBM/ Lotus
- Interwise.com
- Life Span BioSciences
- Lucent Tech
- Merrill Lynch
- Monitor Group
- PEOPlink.org
- PageNet do Brasil/ TWW
- Polaroid
- SA Telecom
- TransAlta Utilities
- UBS Capital
- Volvo
- Voxiva.net

• Recent Project Examples:

- Wireless market entry strategy and pricing strategy Brazil
- Strategy for online payments company
- Competitive strategy, global communications company
- Competitive pricing strategy, enterprise software company
- Acquisition valuation, \$5.5 billion network company
- New product development strategy, technology company
- Strategic pricing strategy, communications software co.
- Pricing/ customer profitability review, leading financial institution
- Pricing strategy, leading PC hardware company
- Wireless technology assessment, US startup
- Strategy and partnering support, new Internet services portal
- Entry strategy, online banking business unit
- New business investment partnering, African telecom
- Strategy to develop global artisan e:commerce
- Turnaround strategy, leading electronics company
- Database pricing strategy, biotech firm

How We Work

SHG Offers	Basic Compensation Model	Other Possible Arrangements
Corporate strategy review	<ul style="list-style-type: none"> ◆ Fixed price contract plus success fee ◆ Retainer based on estimated FTE days x per diems, plus expenses 	<ul style="list-style-type: none"> ◆ Agreed per diems beyond contract scope ◆ Fixed price contract plus success fees
New business creation	<ul style="list-style-type: none"> ◆ Cost-plus for time, plus equity participation 	<ul style="list-style-type: none"> ◆ Royalty/ profit sharing
“Virtual” business Development	<ul style="list-style-type: none"> ◆ Cash/ warrants mix ◆ Monthly retainers ◆ Referral/ success fees for designated target relationships 	<ul style="list-style-type: none"> ◆ Specific commissions for sales generation, incremental funding ◆ Partnering incentives
Marketing-making	<ul style="list-style-type: none"> ◆ % share of capital raised, plus per diems, direct expenses for introductions ◆ Equity stake for board participations 	

SHG Core Values

- ◆ Very high-payoff/ demanding client projects
- ◆ Senior management/ board level issues
- ◆ Clear, superb communication, writing
- ◆ Our target role --> on-going advisory, central corporate issues with outstanding high growth companies
- ◆ Extraordinary professionalism/ commitment to client service
 - Strict confidentiality, during and after project completion
 - No direct competitors
 - Round the clock delivery, availability -- priority projects
 - No undisclosed interests in potential partners, competitors, customers

Next Steps !

- ◆ Contact us --
 - info@sagharbor.com
 - 631-725-5202/ 7994 (fax)
 - www.sagharbor.com
 - Typically we would like to meet with you in person, and then prepare a detailed letter of proposal
- ◆ Client references -- many glowing ones, available upon request!