
WebEnable, Inc.

PRM Software for Manufacturing Industry Indirect Channels

Executive Summary

WebEnable delivers Internet-based, Partner Relationship Management (PRM) Channel Automation Software applications that span Sales Automation, Marketing Automation, Service Automation and Business-to-Business E-Commerce, to meet the needs of global manufacturers who market, sell and service through indirect channels.

The current vendors in the Sales Force Automation market (for example Aurum, Pivotal, Siebel Systems) focus primarily on the needs of direct sales organizations and ignore the specific needs of global manufacturing companies who market, sell and service through multi-tier distribution networks, OEM supply chain relationships, and captive and independent dealerships.

WebEnable is the only company that can provide an integrated Sales, Marketing and Service Automation solution for Indirect Channels. Based on a high-level analysis of the products in this rapidly emerging market, the Company estimates that it has an 18 month product and marketing lead-time within our target markets over possible competition. WebEnable seeks \$5 million dollars in order to exploit this leadership position and to capture a significant share of the Channel Automation market as it matures into a multi-billion dollar segment of the CRM market. Company will require additional capital to expand internationally, as deemed timely by the Board of Directors, during its second or third year of operation.

Highlights

- **Product Has Been Sold and Delivered To Caterpillar.** This is Caterpillar's first E-Commerce project and could open the door to significant repeat business within Caterpillar, its distribution channel and its 125 preferred supply chain vendors.
- **Three Years Under Development.** The product has been developed based on emerging industry (e.g. VehiX) and technology standards (e.g. XML) for Business-to-Business E-Commerce. The product was beta tested during the InfoTest EPR project with companies such as 3M and TI. Additionally, it has been successfully tested for Internet security by Price Waterhouse at the HP Naperville Performance Center.
- **Targeting Under-Served Market Segment.** WebEnable is focused on the 245,000 company, \$800 billion Industrial Components market that has an estimated IT spend of \$20+ billion. WebEnable's product competition is focused on the high-tech sector that represents only 20% of US manufacturing output.
- **Rapidly Maturing, Wide Open Market.** Customers are recognizing that the leading SFA vendors do not have appropriate Channel Automation solutions and this is creating a multi-billion dollar opportunity for vendors focused on Indirect Channels such as WebEnable.

- **Seasoned Management Team.** The Company's management team has proven expertise in developing Channel Automation applications using Internet technologies backed up with strong business management experience at companies such as Digital Equipment Corporation, TRW, NASDAQ, and E*Trade.

- **Market Size**

| Vertical Market | # Companies |
|-----------------------------|-------------|
| Industrial Components | 139,982 |
| Vehicle Components | 27,854 |
| Electronic Components | 44,169 |
| Aerospace and Defense | 4,876 |
| Instrumentation and Devices | 28,287 |

Chief Contact

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Summary Financials

WebEnable Projected P&L Statement 5 Years – 1999-2003

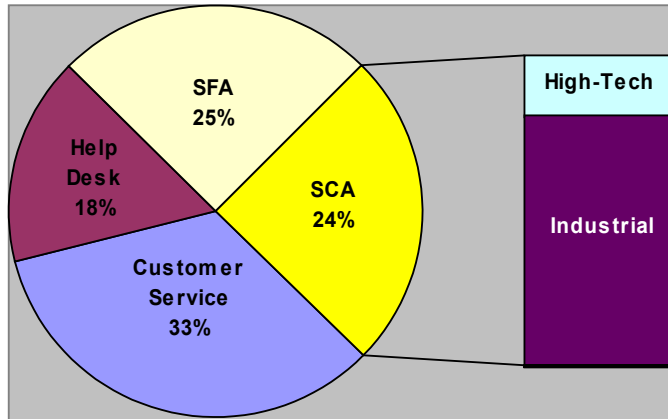
| Sales | 1999 | 2000 | 2001 | 2002 | 2003 |
|--|---------------|---------------|--------------|--------------|--------------|
| Sales Channel Automation Licenses | \$160,000 | \$2,700,000 | \$9,022,819 | \$13,548,920 | \$19,719,648 |
| Sales Channel Automation Maintenance | \$30,000 | \$500,400 | \$1,795,731 | \$3,403,594 | \$7,143,129 |
| Marketing Channel Automation Licenses | \$0 | \$1,350,000 | \$6,315,973 | \$13,548,920 | \$19,719,648 |
| Marketing Channel Automation Maintenance | \$0 | \$250,200 | \$1,257,011 | \$3,403,594 | \$7,143,129 |
| Service Channel Automation Licenses | \$0 | \$450,000 | \$2,706,846 | \$6,774,460 | \$16,902,556 |
| Service Channel Automation Maintenance | \$0 | \$83,400 | \$538,719 | \$1,701,797 | \$6,122,682 |
| OEM Infrastructure | \$0 | \$0 | \$0 | \$0 | \$0 |
| Consulting Services | \$235,000 | \$960,000 | \$3,300,000 | \$6,450,000 | \$10,850,000 |
| Total Sales | \$425,000 | \$6,294,000 | \$24,937,099 | \$48,831,285 | \$87,600,792 |
| Total Cost of Goods Sold | \$431,625 | \$1,353,988 | \$2,715,168 | \$3,904,553 | \$4,542,467 |
| Gross Profit | (\$6,625) | \$4,940,013 | \$22,221,931 | \$44,926,733 | \$83,058,325 |
| Operating Expenses | | | | | |
| Sales & Marketing | \$674,375 | \$4,292,475 | \$11,579,144 | \$19,730,315 | \$29,522,908 |
| Research & Development | \$625,875 | \$2,454,788 | \$4,743,321 | \$8,581,079 | \$11,739,398 |
| G & A (without Depreciation) | \$517,920 | \$2,044,931 | \$3,632,309 | \$5,282,732 | \$6,338,124 |
| Depreciation | \$46,000 | \$250,000 | \$476,000 | \$750,000 | \$974,000 |
| Total Operating Expenses | \$1,864,170 | \$9,042,194 | \$20,430,774 | \$34,344,126 | \$48,574,430 |
| Income From Operations | (\$1,870,795) | (\$4,102,181) | \$1,791,157 | \$10,582,606 | \$34,483,895 |
| Interest Income | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest Expense | \$0 | \$0 | \$0 | \$0 | \$0 |
| Income before Taxes | (\$1,870,795) | (\$4,102,181) | \$1,791,157 | \$10,582,606 | \$34,483,895 |
| Taxes on Income | (\$602,182) | (\$1,271,220) | \$748,162 | \$3,739,760 | \$11,701,105 |
| Net Income After Taxes | (\$1,268,613) | (\$2,830,961) | \$1,042,995 | \$6,842,846 | \$22,782,789 |

1) The Opportunity: Sales Channel Automation meets E-Commerce

WebEnable delivers Internet-based Channel Automation applications that span Sales Channel Automation, Business-to-Business E-Commerce, and Supply Chain integration to meet the needs of global manufacturers who market, sell and service through indirect channels. As the vendor with the clearest and most-complete product vision, WebEnable expects to drive the definition of Channel Automation and capture a significant share as it matures into a multi-billion dollar segment of the Front Office Automation market.

The Front Office Automation market is one of the hottest enterprise software markets with annual sales in excess of \$2 billion and projected growth of 50% CAGR for the next three to five years (Adams, Harkness & Hill, 1998). However, the leading vendors in this market (for example, Aurum, Clarify, Pivotal, Siebel Systems and Vantive) focus almost exclusively on the needs of direct sales organizations and largely ignore the needs of those organizations who market, sell and service through channels. This is a market opportunity that WebEnable will address.

Sales Channel Automation Segment of Front Office Automation Market

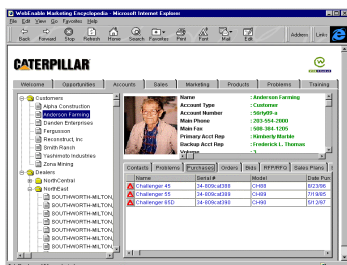


Based on an analysis of companies within our target Industrial Components market (SIC Codes 3411 to 3873), our core market comprises over 22,000 companies that are \$100 million or larger in revenues and over 10% of these companies (2,675) are \$1 billion or larger in revenues (InfoUSA 1999).

Problem Management
Training Management
Maintenance Management
Diagnostics Management
Machine Management

Sales Channel Automation

1-to-1 Marketing
Product Catalog
Order Entry
Order Fulfillment & Status
Supplier Management
Distributor Management
Customer Management
Contact Management
Opportunity Management
Shipping Management
Mis-ship Management
Back Order Management
RMA Management
Warranty Management
Billing Management
Invoice Management
Sales History & Analysis
Engineer-to-Order
Configurator



Service Management
Service Team Management

Integration Servers

Email
EDI
ERP
CORBA
CPFR
Notes
OBI
Workflow

Marketing Channel Automation

1-to-1 Marketing
Management
Product Management
Supplier Management
Distributor Management
Opportunity Management
Problem Management
Training Management
Program Management
Campaign Management
Price Plan Management
Sales History & Analysis
Content Revision
Management
International Content Mgmt
Suggestion/Requirement
Mgmt
Product Launch & Announce

Service Channel Automation

1-to-1 Marketing
Product Catalog
Customer Management
Billing Management
Invoice Management
Parts Management
Warranty Management

2) WebEnable's Products

WebEnable is delivering Sales, Marketing and Service Channel Automation solutions to the global manufacturing market. The WebEnable Sales Channel Automation system allows Channel Sales Executives to manage sales through indirect channel partners, internal direct sales and end-customer Internet sales while managing and easing channel conflicts. The WebEnable Marketing Channel Automation system allows Channel Marketing Executives to deliver and manage a wide range of multi-national and multi-lingual product marketing information while collecting critical customer and market information from channel trading partners. The WebEnable Service Channel Automation system allows Channel Service Executives to deploy standard diagnostic, maintenance and service information while collecting product problem and warrantee information.

Version 1.1 of our product is presently being implemented with two customers (Caterpillar's Parts and Services Group and the Ridge Tools division of Emerson Electric). Version 1.2 is targeted

for Controlled Release in Q4, 1999. These products are based on the following application and infrastructure products:

| | Product | Version | Availability |
|-------------------------|---|---------|--------------|
| Applications: | WebEnable Sales Channel Automation | 1.1 | Now |
| | WebEnable Marketing Channel Automation | 1.2 | Q4 1999 |
| | WebEnable Service Channel Automation | 1.3 | H1 2000 |
| Servers: | WebEnable Secure Application Server | 1.1 | Now |
| | WebEnable Secure Synchronization Server | 1.1.1 | Q3 1999 |
| | WebEnable EDI Integration Server | 1.1.1 | Q3 1999 |
| | WebEnable ERP Integration Server | 1.3 | H1 2000 |
| Developers Kits: | WebEnable Software Developers Kit (SDK) | 1.3 | H1 2000 |
| | WebEnable Content Developers Kit (CDK) | 1.3 | H1 2000 |



Once this initial product line is complete, WebEnable plans to develop add-on products that meet the specific requirements of vertical markets such as Construction Tools, Machine

Tools, Automotive, Trucking, Heavy Equipment, Aerospace, Electronic Components, and Defense.

In addition to developing products that meet the needs of global manufacturers within these vertical markets, WebEnable is also considering how we meet the needs of the mid-market and SMB sectors within these verticals. We are developing packaging options that would enable us to reach the smaller participants at the extremes of the supply and distribution chains by selling through Value-Added Resellers, partnering with Application Service Providers to offer subscription-based services and partnering with market-specific Internet Commerce Portals.

2.1) WebEnable Product Benefits

WebEnable's Sales Channel Automation products:

- meet the specific needs of the participants
- of the entire indirect channel sales process
- by integrating sales, marketing and service information
- across the entire distribution/supply chain

Indirect Sales Participants

Product Managers
Marketing Managers
Fulfillment Managers
Channel Managers
Account Managers
Logistics Managers
Purchasing Managers
Specifying Engineers
Customers

Increased Sales – by targeting training, information and promotions at their distributors' sales, marketing and service personnel on a one-to-one basis, WebEnable enables a better-trained, better-informed and more motivated distribution chain.

Improved Customer Service and Retention – by being able to respond more quickly with more up-to-date information, WebEnable enables greatly improved customer service through their distributors.

Enhanced Customer Feedback – by capturing and distributing customer information throughout the supply and distribution chain, WebEnable enables the capture of market information and customer feedback to drive, for example, the product design process.

Active Management –by supporting the timely collection of critical business information on sales situations, customer problems, product problems and distributor performance WebEnable enables the active management of the sales, marketing and service processes across their partners.

Cost Savings – by providing easily accessible, web-based product, pricing and servicing information, WebEnable reduces the need for costly, printed catalogs and communications. This enables manufacturers to reduce the people, time and money spent servicing repetitive requests for basic information.

3) Architecture and Technology

WebEnable has been designed and developed by an engineering team with a combined 120 years experience developing distributed Internet-based enterprise applications.

HOT Technology

Java 1.2 Applets,
Servlets
Swing JFC
Java Plug-in
Hybrid Object-Relational
JDBC/ODBC
RMI / IIOP
CORBA
XML-driven GUI
CPFR
EDI
OBI
OAGIS (ERP)
Collaborative
Engineer-to-Order

Architecture - WebEnable's product has been designed to scale and to provide a fast, stable environment to even the largest global corporations. This has been achieved by implementing WebEnable's n-tier client-server products as 100% Pure Java Applets and Servlets. They have been developed using Java version 1.2 and Sun's *Swing* Java Foundation Class (JFC) library.

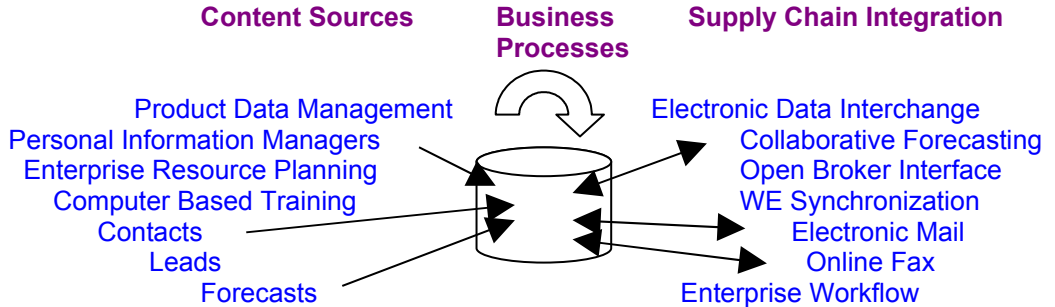
Browser Independent - WebEnable's Applets will work with any browser that supports the Java Runtime Environment 1.2 or with any Netscape or Microsoft browser using the Sun Java Plug-in. Our browser-based, XML driven GUI allows Rapid Application Development for new product development by WebEnable and development partners, and ease of customization by our integration partners and customers.

Vendor Independence - The WebEnable Servlets integrate with Netscape's Enterprise Server, Microsoft's Internet Information Server, Apache Web Server and Sun's Jeeves Server. WebEnable implements a hybrid object-relational database schema on most relational databases accessible through JDBC/ODBC. The client-server protocol is based on HTTP and RMI to access and invoke reusable, Network Business Objects.

Standards Independence - The WebEnable Synchronization Server supports XML, EDI, OBI, CPFR, OAGIS (EPR) in addition to the WebEnable Server-to-Server Synchronization protocol. The WebEnable architecture is RMI and CORBA compliant.

Security – WebEnable's security features ensure that channel partners are able to access information appropriate to their relationship with the supplier (e.g. per partner price plans and exclusive product offerings) while protecting sensitive information from their sales

Integration – WebEnable’s Integration Server architecture provides pre-defined integration for most common APIs and Protocols. WebEnable exploits the dominance of EDI for integration with a broad range of back office legacy systems. WebEnable is supporting the new XML-based interfaces being defined for ERP, Workflow, PDM, etc.



Sales, Marketing and Service Information Flow through Integration APIs and Protocols

4) **WebEnable Business Strategy**

WebEnable’s business strategy is to build a strong product company that goes to market through a direct sales organization making extensive use of third party resources in areas such as implementation in order to develop a rapidly scaleable business model.

Channel Automation for Manufacturers of Industrial Components for:

- Construction Tools
- Machine Tools
- Electronics
- Automotive
- Trucking
- Construction Equipment
- Aerospace
- Defense

Market Focus - Industrial Components Companies

WebEnable’s Channel Automation product meets the sales, marketing and service needs of discrete manufacturers and is initially focused on the Industrial Components markets which supply the Automotive, Aerospace, Construction Equipment and Defense vertical markets. Manufacturers in these markets have similar needs, similar distribution strategies, and, often, common distribution and supply networks.

Market Access – Design Partner Program and Industry Joint Ventures

Design Partner Program - WebEnable has created the Design Partner Program to engage the thought and technology leaders in these vertical markets in the design of solutions for their industry. Members of the WebEnable Design Partners Program provide feedback on product plans, are given early access to products and receive license discounts for their participation.

Industry Joint Ventures - WebEnable is exploiting consortium-driven, industry-specific, technology projects to access vertical market thought and technology leaders. For example, participation in the InfoTest Enhanced Product Realization project provided access to Caterpillar, 3M and HP, resulting in our first sale to Caterpillar’s Parts and Services Group. WebEnable will continue to use joint ventures to access additional markets and gain valuable market-specific references to support our sales efforts.

These verticals have similar:

- Supply Chains
- OEM Relationships
- After-market Distribution

| Joint Venture Project | Markets | Participants | Venue |
|-----------------------|------------------------------|----------------------|------------|
| EPR | Heavy Equipment, Electronics | Caterpillar, 3M, TI | InfoTest |
| VehiX | Automotive, Heavy Equipment | Caterpillar, Emerson | SAE |
| ConstruX | Construction Tools | Caterpillar, Ridge | TBD |
| RosettaNet | Electronics, PC | | RosettaNet |

Market Penetration – Strategic Alliances

To provide effective solutions to our customers, WebEnable must be able to integrate our products with a wide range of application and infrastructure products from other vendors. At the product level, WebEnable is developing interfaces that support multiple information exchange and integration protocols. At the business level, we will build leverageable Strategic Alliances that enable us to more rapidly penetrate target markets than we would be able to do ourselves. Strategic Alliances will be targeted with companies such as ERP and Supply Chain Vendors, Enterprise Application Integration Vendors, and EDI Vendors as well as infrastructure and platform vendors such as IBM, Microsoft, Netscape, and Sun Microsystems. Additionally, we will look at Strategic Alliances that allow us to extend our sales model into areas such as offering our product on an Application Hosting basis.

Sales Strategy – Direct Sales in partnership with Systems Integrators

WebEnable’s initial customers will be predominantly global manufacturing companies with revenues in excess of \$1 billion. Within this target company base, WebEnable will target “Anchor Accounts” such as Caterpillar to whom we have already made a sale. Success within these accounts will enable us to leverage the “pull” of these companies within their divisions and across their distribution and supply chains. Our first project with Caterpillar, for example, opens up a market of over 125 major Construction Tools suppliers, 10 Caterpillar distributors and 6 other Caterpillar divisions.

We will sell our products through a direct sales group supported by Systems Integration partners who will provide implementation, integration and customization services in partnership with WebEnable’s Client Services organization. These Systems Integration partners will be predominantly Big Five and large-scale integrators who have the access, resources and experience to leverage WebEnable within our target accounts. As our business model develops, some of these relationships may develop into Value-Added Reseller partnerships, especially in international markets.

Pricing Strategy

WebEnable’s pricing model is based on Application Module and Infrastructure Server Licensing basis plus per concurrent user pricing. Typical configurations and prices are anticipated to be as follows:

| Customer | Application Licenses | Server Licenses | User Licenses | Total \$ |
|----------|--|---|---------------|-----------|
| Division | Sales Channel Automation | Secure Application Server | 50 @ \$1,000 | |
| | \$50,000 | \$50,000 | \$50,000 | \$150,000 |
| Regional | Sales Channel Automation | Secure Application Server Synchronization Server | 250 @ \$800 | |
| | \$50,000 | \$100,000 | \$200,000 | \$350,000 |
| Global | Sales Channel Automation Channel Automation Marketing Service Channel Automation | Secure Application Server Synchronization Server Integration Server | 1000 @ \$500 | |
| | \$150,000 | \$150,000 | \$500,000 | \$800,000 |

Product and Services Mix

WebEnable is not in the business of systems integration and our business model is therefore based on an 80:20 product to services mix. However, we recognize the paramount need to develop highly satisfied, referenceable customers and we will therefore “own” initial implementation and integration contracts. Our model will be to engage our Systems Integration business partners in these projects on a mentored basis with a view to transferring our knowledge to these partners and enabling them to complete future projects independently. We believe that this will be an attractive model to Systems Integrators as our product has the potential both to enable rapid deployment of highly functional solutions where time-to-market is critical and to open up significant integration and customization opportunities.

5) Competition and Competitive Advantages

WebEnable believes we have the most complete product vision and the strongest application-level and technical functionality in the Channel Automation market. Our target market has traditionally had to turn to internal IT Departments or Systems Integrators for solutions on the scale that WebEnable delivers. We believe that IT Departments and SIs such as the Big Five, IBM Global Services and USWeb/CKS will remain our major competition. With both IT Departments and Systems Integrators, our strategy will be to partner rather than to compete. We believe that this strategy will succeed because end-user customers are demanding time-to-market, robust and scalable performance that only a product-based solution can deliver. We believe that most integrators recognize this reality and we will make it attractive for them to partner with WebEnable.

We have identified Allegis, ChannelWave and Webbridge as being our closest functional competitors. These companies offer products that are mid-market in functionality and they are focused on marketing these products primarily to technology companies. Additionally, these products do not support Marketing or Service automation, therefore companies who need more than Sales Channel Automation solution will be forced to implement a multi-vendor solution. Our broader functionality and channels focus will also enable WebEnable to beat out competition from predominantly direct sale oriented SFA vendors such as Siebel Systems and Pivotal.

Additionally, WebEnable offers the following competitive advantages:

Business Knowledge – Our deep knowledge of channel sales issues in such areas as cyber-mediation solutions has been cited by both customers and partners as their reason for working with us over our competition.

Fully Integrated Solution – WebEnable is the only vendor who can offer a Channel Automation solution that meets the real world need of global manufacturers for an integrated view of their distributors’ sales, marketing and service activities.

Pre-Defined Integration – WebEnable’s Integration Server technology recognizes the need to integrate with existing EDI, ERP and legacy applications to support tasks from populating Product Catalogs, through exchanging information at the EDI level to creating seamless business processes around the emerging XML standard.

Vendor Independent, Standards Compliant – WebEnable has worked with technical and industry standards bodies (for example, InfoTest, VehiX and Rosettanet) to ensure that our product is compliant with emerging industry standards (for example, XML, Java and CORBA)

Globalized and Localizable – WebEnable's product has been designed to support the needs of large-scale global manufacturers and to support unlimited local languages, currencies, local taxes, duties, etc.

6) Management Team

CEO – Brian D. Handspicker is a Channel Automation expert, having developed one of the first integrated Sales Force Automation solutions for Pfizer Pharmaceuticals in 1978. Over the past two decades Mr. Handspicker has led joint venture and Internet application development efforts at Prime Computers, Banyan Systems and Digital Equipment Corporation.

VP Sales – Open

VP Marketing - Robert Ferri is a Communications and Marketing expert focused on Financial Services Electronic Commerce. Prior to his involvement with WebEnable, Mr. Ferri launched the Marketing and Corporate Communications groups for NASDAQ, Montgomery Securities, and E*Trade.

VP Engineering - Jon Coleman is a senior Software Development professional with deep expertise in the area of distributed application software development gained through almost twenty years of experience at Digital Equipment Corporation, TRW, and Charles Stark Draper Laboratory.

7) Board of Advisors

Frank Dodge – Founder, McCormack & Dodge; Entrepreneur in Residence, Babson College

Jeff Timmons - Distinguished Professor of Entrepreneurship, Babson College

Don Lupfer – President, Lupfer & Associates; Former head of TRW Electronics distribution

Harry Schult – Retired Partner, Ernst & Young

Sebastian H.R. Oghlidos – Managing Partner, Venture Creation

Ken Kuna – Retired VP Ford Motor Company; Former General Manager Ford Glass

8) Exit Strategy

With the trend towards high-valuation mergers and acquisitions within the Enterprise Application and E-Commerce markets, a near-term acquisition by a larger player may be both acceptable and cost-efficient. However, we believe that the opportunities for Channel Automation vendors within the overall Enterprise Applications market will grow explosively over the coming decade creating the potential for even greater stockholder value as an independent player. On this basis, WebEnable's plan is to grow the company targeting an IPO in 2002 with the intention of sustaining our growth through international expansion, mergers and acquisitions in 2002 and beyond.

9) Investment Opportunity

WebEnable seeks \$5 million dollars (one round or two rounds of \$2.5 million) in order to exploit this leadership position and to capture a significant share of the Channel Automation market as it matures into a multi-billion dollar segment of the Front Office Automation market. Company will require additional capital to expand internationally, as deemed timely by the Board of Directors, during its second or third year of operation.
