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# WebEnable, Inc.

ENTERPRISE CHANNEL AUTOMATION

## **E-Commerce meets Sales, Marketing, Service Automation**

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Chairman and CEO  
June 1999



# Pain: Distribution Chains Long, Inefficient, Necessary

- Too many links suck out margin
  - ◆ Quantity coverage compensates for lack of quality coverage
  - ◆ High-cost to setup and train channel, but minimal loyalty
- Too much inventory tied up within the chain
  - ◆ Lack of visibility into customer demand
  - ◆ Must carry excess inventory to meet unpredictable demand
- Difficult to actively manage sales and service processes
  - ◆ Lack of visibility into real issues behind lost sales (e.g. lack of follow up, product issues, cost issues, etc.)
  - ◆ Challenging to deliver world-class service through local-class partners
- Channel Conflict becomes Strategic Roadblock
  - ◆ Limits direct Internet Sales
  - ◆ Limits access to major account OEMs
  - ◆ Limits transition to Portal-based Commerce



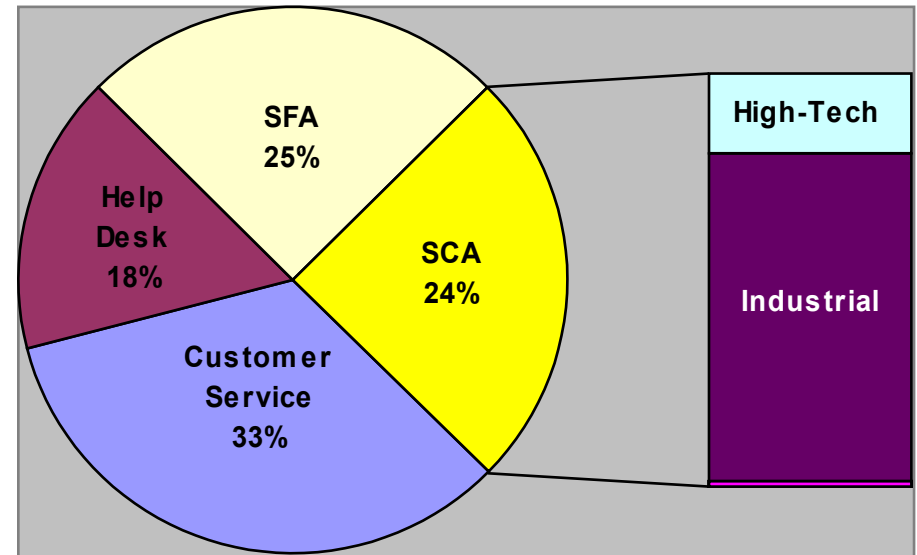
# Channel Automation for Industrial Components

- ❖ Pain: B2B Channel Sales
  - \$10B+ lost profits/year?!
- ❖ Solution: B2B Channel Automation
  - Wring the Costs Out of the Channel
- ❖ Opportunity: Industrial Components
  - Strong Vertical Market Demand
- ❖ Products: Shipping Now
  - V1.1 at Caterpillar, Emerson Electric
- ❖ Business: Sustainable, Profitable Model
  - Direct (1999) + Portal (2000) + Indirect (2001)
- ❖ Investment: \$5MM to Break-Even
  - Late Fundraising created Great Opportunity



# Pain: B2B Channel Sales

- ❖ Industrial Components: 57% sales Indirect
- ❖ Industrial Components markets ~\$800B/year
- ❖ 2% decrease in sales cost -> 1.2% profit improvement
- ❖ \$10B+ lost profits/year?!



# Solution: B2B Channel Automation

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- ❖ Use Internet to Reduce Distribution Chain Lag:
  - Publish information, radically reduce number of inquiries for basic information
  - Accelerate business processes (e.g. order processing) by cutting out paper, fax and phone traffic
  - Capture information (e.g. lost sales) at source and get it to partner immediately
  - Actively manage sales and service processes
  - Build 1:1 relationships for individual channel personnel to build product and process knowledge
  - Target programs to end-customers through empowered channel
- ❖ Impossible before the Internet
- ❖ No-one else is delivering required full business solution



# Opportunity: Industrial Components

## ❖ **Construction Tools**

- Distribution Chain Revolution
- Emerson Electric - Ridge Tools
  - ◆ 6 EE tool divisions, 4K international distributors
- Caterpillar - Rental Store Supply
  - ◆ 125 tool suppliers, 20+ U.S. dealers
- Premium Tools Portal
- ConstruX Standards

## ❖ **Vehicle Components - Auto, Truck, Construction**

- Supply Chain Revolution
- VehiX Standards (Cat, EE, TRW, etc.)

## ❖ **Defense & Aerospace**

- 5 year spending increases predicted

## ❖ **Machine Tools**

## ❖ **Electrical & Electronic**



# Products: Shipping Now

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## ❖ Application Modules

- Channel Sales Automation (1.1, Now)
- Channel Marketing Automation (1.2, Q4/99)
- Channel Service Automation (1.3, Q2/00)

## ❖ Infrastructure Software

- Robust, scalable Java framework (1.1)
- WebEnable Secure Application Server (1.1)
- WebEnable Synchronization Server (1.2)
- WebEnable Integration Server (1.2)
- Software and Content Development Toolkits (1.3)

## ❖ Vertical Market Add-ons

- VehiX, ConstruX, MaXine, RosettaNet, EDIpro (V1.3+)

Piloted InfoTest 1998, V1.1 Shipping Now



# Business: Sustainable, Profitable Model

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## ❖ Direct Sales (1999+)

- Leverage SI Partners to manage integration challenge

## ❖ Portals, ASPs (2000+)

- Drive vertical market adoption
- Reduce cost/seat to capture mid-market
- Deploy pilots, production systems more rapidly

## ❖ VARs (2001+)

- Drive vertical market dominance
- Foundation for horizontal market, international expansion

Average deal size \$500,000, 2:1 product/services mix





# Investment: \$5MM to Break-Even

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## ❖ Bankable Proposition

- Sales to Caterpillar and Emerson Electric
- V1.1 Product shipping
- Management Team in place
  - ◆ West Coast Business Team
  - ◆ East Coast Technical Team

## ❖ First Round Product, Sales; Seed Round Infrastructure

- \$2.5M round Summer '99 to reach 8 customers
- \$2.5m round Summer '00 to reach breakeven

