

NET(net) VMO

(Vested Management Optimization)

The Business Case for IT Cost & Value Optimization

Americas, EMEA, APAC

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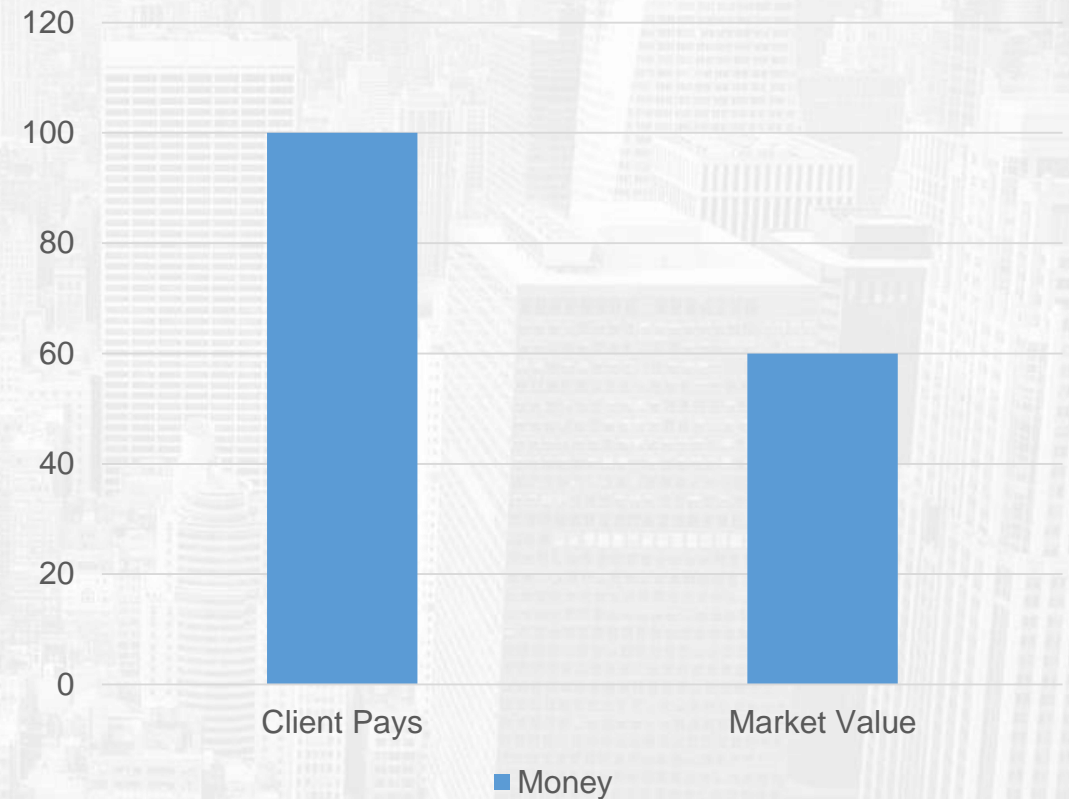
Pervasive Industry Reality

Clients pay a **40% Premium** for the Technology that runs their organizations.

Many reasons why:

- Industry Cartel
- Engineering mindset
- Planned Obsolescence
- Moore's Law, etc.
- 3 Main Reasons: Clients Lack
 1. Federated Market Intelligence
 2. Proven Best Practices for Supplier Lifecycle Cost & Value Optimization
 3. Skilled Experts with a blended specialization of IT and Commercial Negotiations expertise with the requisite experience to cost optimize complex operating environments

Clients Overpay for IT

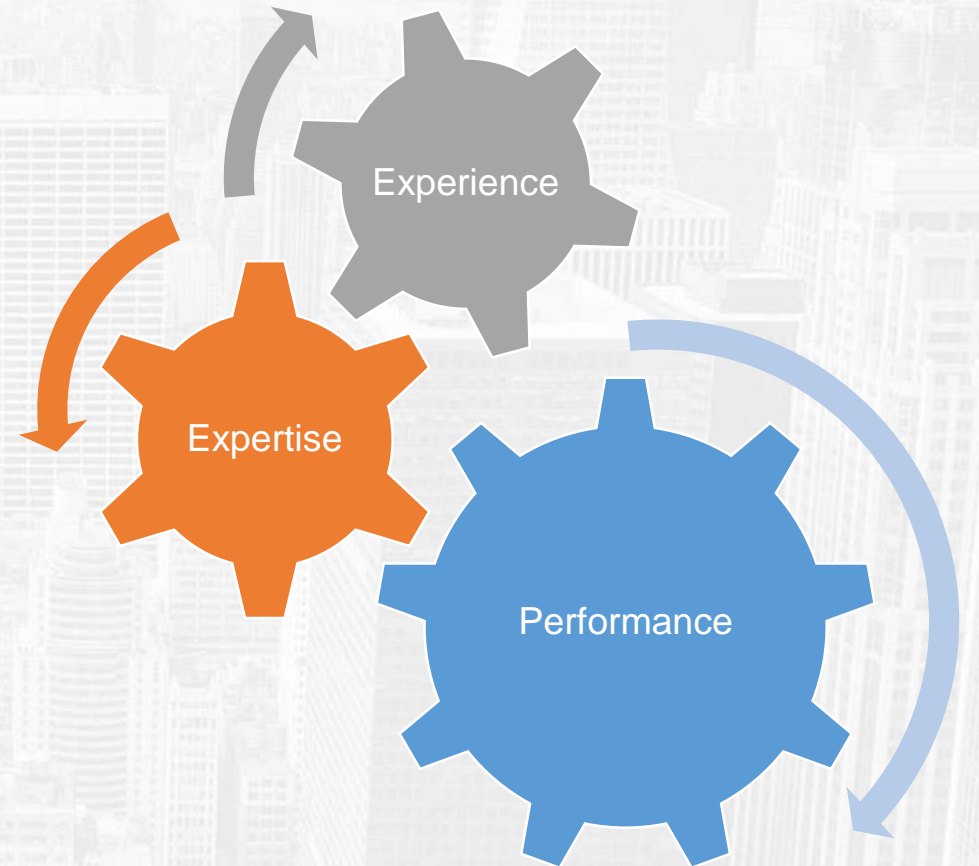


Category Expertise

With NET(net), Clients save over **33% on Average** on their IT costs with no diminution of value.

Highlights of 16 years of leadership:

- Experience You Want
 - 25 Years of Experience (on average)
 - Across 2,500 Clients in virtually every industry & geography
- Expertise You Need
 - 7 Major IT Cost Categories
 - Over 25,000 supplier engagements on behalf of our clients
- Performance You Demand
 - **Over \$250 Billion of Incremental Client Value Captured Since 2002**

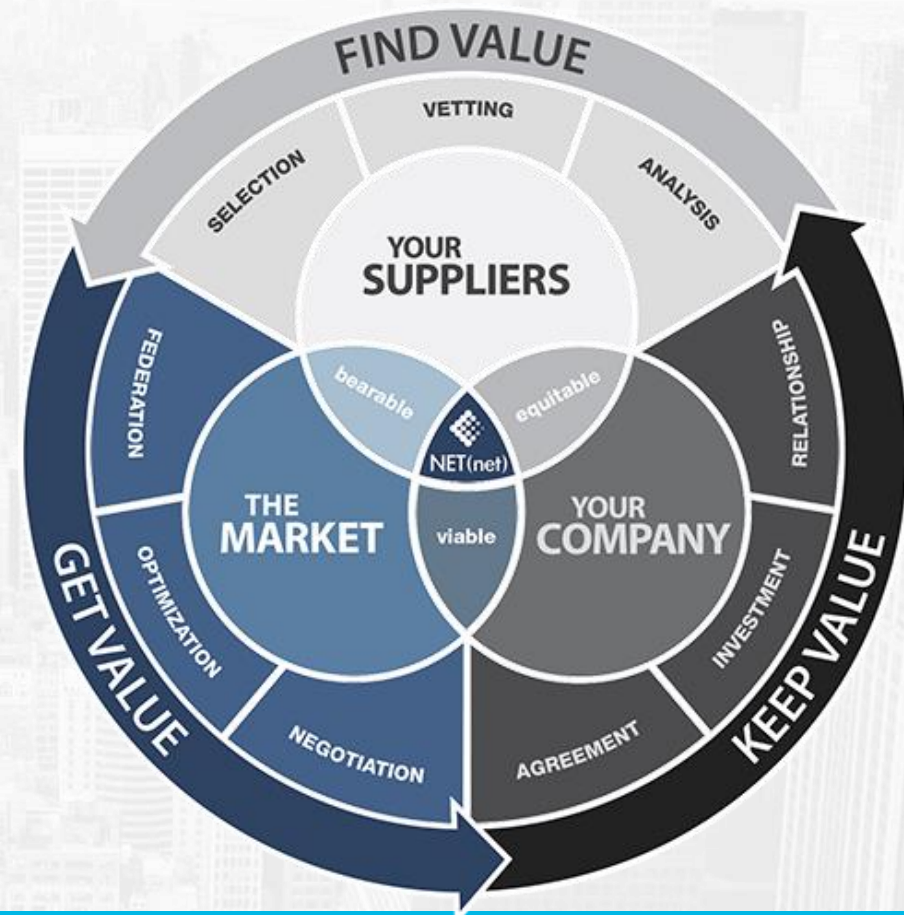


Vested Management Option (VMO)

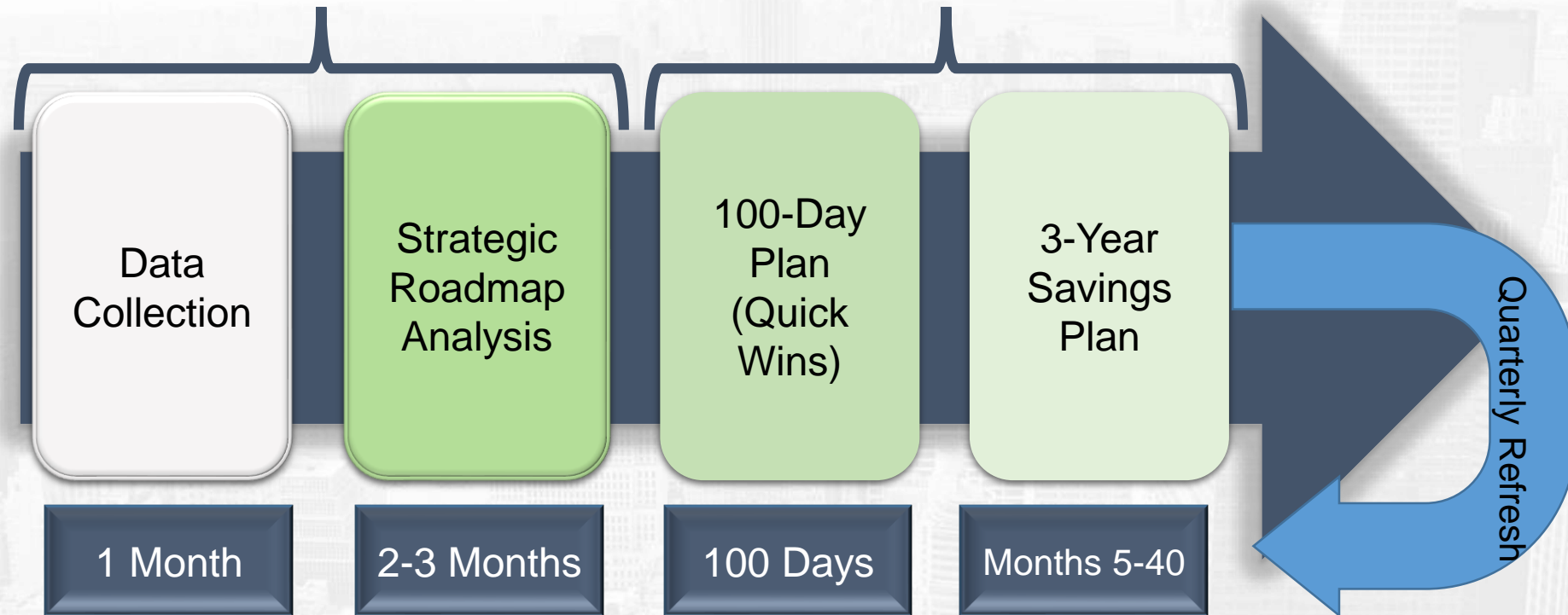
We utilize a **Proprietary Approach** that includes Federated Market Intelligence, Industry Best Practices and Patented Methodologies.

IT Cost & Value Optimization:

- Lower Costs
- Mitigation of Risk
- Higher Quality
- Maximized Agility
- Stronger Contracts
- Governed Compliance
- Improved Supplier Relationships



VMO Engagement Process



Our Services Cost Nothing

Service Guarantee: We provide a Savings SLA that includes a guarantee to identify enough savings to more than cover the total cost of our services.

If the Savings we identify in the 100-day Quick Wins plan does not exceed the total cost of the fees, Clients can terminate the engagement after the 4th month with no further obligation or investment other than to pay for the savings achieved based on our recommendations at our standard gain share rates.

We Gain-Share Over-Performance

Performance Incentive: We gain-share for over-performance beyond the initial Savings SLA, so there are continuing incentives for our teams to collaborate and continue to perform – looking for ways to optimize costs and improve value.

We sign Exhibits to the SOW which clearly illustrate project baseline values, we then measure Savings and fees per Exhibit, and track these in the monthly reports so everyone knows the status.

Value Tracker

Summary of Quick Wins

Exhibit	Project	Close Date	Baseline	Final	Savings	%
001	Adobe	Oct 31 2017	\$2M	\$1.5M	\$500k	30%
002	Oracle	Nov 30 2017	\$2M	\$1.5M	\$500k	30%
003	AT&T	Dec 31 2017	\$2M	\$1M	\$1M	50%
			\$6M	\$4M	\$2M	33%

3 Year Savings Plan

Implementing the 3 Year Savings Plan

Year	Supplier	Timing	Spend	Savings	%	Probability	Expected Yield
2018	Oracle	May	\$ 3,000,000.00	\$ 1,200,000.00	40%	65%	\$ 480,000.00
	Microsoft	Jun	\$ 2,000,000.00	\$ 500,000.00	25%	67%	\$ 125,000.00
	IBM	Dec	\$ 4,000,000.00	\$ 1,120,000.00	28%	100%	\$ 313,600.00
2019	CA	Apr	\$ 2,000,000.00	\$ 660,000.00	33%	100%	\$ 217,800.00
	Cisco	Jul	\$ 3,000,000.00	\$ 1,500,000.00	50%	50%	\$ 750,000.00
	SAP	Dec	\$ 4,000,000.00	\$ 2,000,000.00	50%	70%	\$1,000,000.00
2020	Salesforce	Jan	\$ 4,000,000.00	\$ 1,760,000.00	44%	44%	\$ 774,400.00
	HP	Oct	\$ 4,000,000.00	\$ 800,000.00	20%	75%	\$ 160,000.00
	EMC	Dec	\$ 4,000,000.00	\$ 800,000.00	20%	83%	\$ 160,000.00
			\$30,000,000.00	\$10,340,000.00	34%	73%	\$3,980,800.00

We Have 4 VMO Model Options

Level	Monthly Service Fee (MSF)	Savings SLA	Gain Share Rate*	Designed for Annual IT Spend
Silver	\$27.5k/month	\$1.1M	20%	\$2.4 - \$13.8M
Gold	\$50k/month	\$2M	10%	\$13.8M - \$60M
Platinum	\$100k/month	\$4M	5%	\$60 - \$240M
Diamond	\$200k/month	\$8M	2.5%	\$240M+

* Gain Share Rate is Only Applied to Savings in Excess of Savings SLA

VMO Value Flow (Gold)

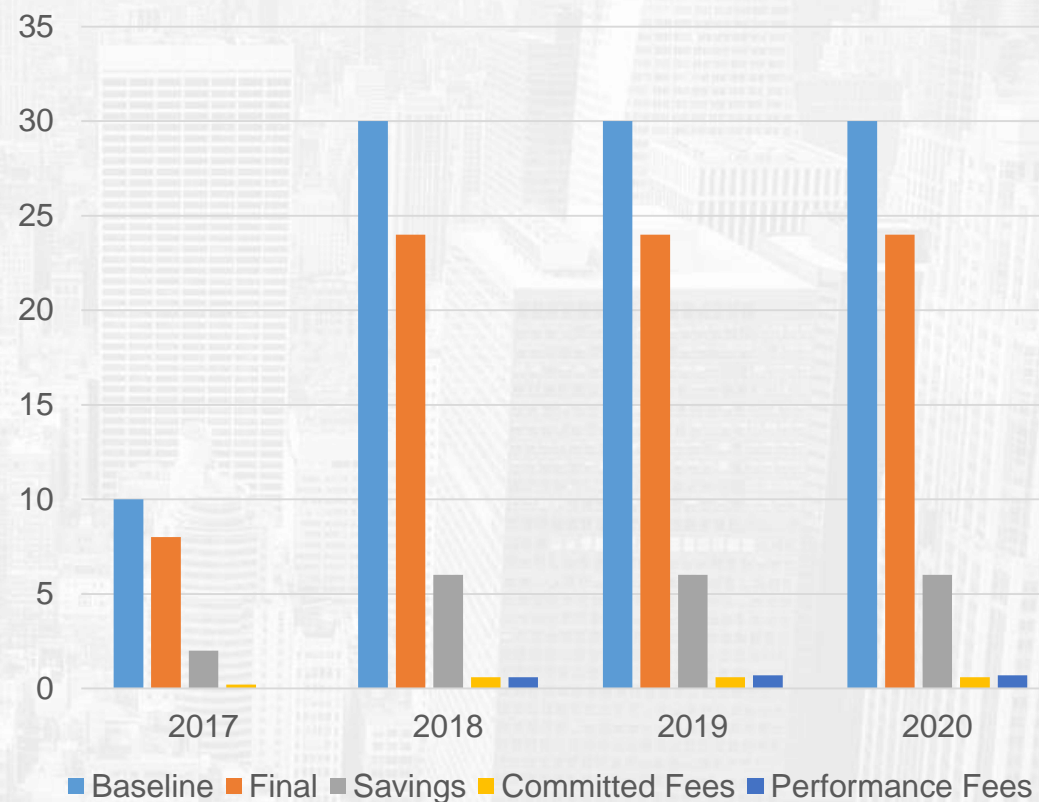
Services

- Client Spends \$30M per year on IT (\$100M over 40 months)
- Client Signs up for Gold VMO (\$50k/msf + 10% Gain Share on Savings > \$2M)
- NET(net) Achieves Savings of \$2M in first 100 Days (VMO is now fully Funded)

Performance

- NET(net) Saves \$20M more over the remaining 36 months of the 40-month term of the VMO.
- Client pays \$2M in Performance Fees for the \$20M of Additional Savings > SLA
- Client Pays \$4M Total (\$2M Committed + \$2M Performance) on \$22M in Savings
- Client Nets \$18M in Savings on \$4M in Fees (550% ROI)

VMO Value Flow



Next Steps

- NDA/MSA/SOW + Exhibits (with Baseline Spend Information)
- Schedule Kickoff (IT Portfolio Review: New & Existing Spend)
- Delivery 100-Day Quick Wins Plan (cover Savings SLA)
- Implement 3-year Strategic Savings Plan
- Maximize Cost Savings & Value