

Capital Mergers And Acquisitions, LLC (CMA Group)

Field Services Platforms: Consolidation is Inevitable and Big Market Success Stories are Imminent

Key Points:

- **Acquisition opportunities abound in the industry.** The big strategic M&A opportunity for vendors is customer consolidation; multiple field services management (FSM) vendors sell complementary offerings to different customers, presenting significant opportunities to cross-sell into existing accounts through alliance and consolidation. Another significant opportunity exists for acquirers to add critical product functionality. We agree with Gartner's thesis that best-of-breed vendors are more likely to buy rather than build field service workforce optimization capabilities and stronger mobile platforms.
- **The market is fragmented and there is no apparent leader in the field services market.** No organization provides the four critical areas of the complete field service life cycle. This creates acquisition opportunities. According to Gartner Research, the four critical areas are:
 - 1) A customer management capability that includes account, selling, technical support, and customer portal
 - 2) End-to-end parts management
 - 3) Dispatching and workforce management
 - 4) Integrated mobile enterprise applications
- **A critical strategy requirement of field service management vendors is the ability to provide low-cost feature offerings in order to build market share.** According to Gartner, much of the growth has been on the low end of the market for low-cost functionality such as job costing.
- **According to Gartner, demand for improvements in the quality of field service execution will benefit two classes of software vendors:**
 - 1) Those who provide solutions with multiple application components including the four critical areas listed above and an underlying process design.
 - 2) Vendors that offer broader functionality whose software is service-oriented-architecture (SOA)-compliant or provided with a software-as-a-services (SaaS) model.

FSM SaaS "Software" Businesses versus FSM SaaS "Services" Businesses

FSM SaaS "software" businesses typically license software to corporations, while FSM SaaS "services" businesses typically have a database of active field service professionals that perform an industry specific function. In spite of the challenges involved in integrating traditional software and services businesses, we believe that the similarly scalable and repetitive business processes of FSM SaaS "software" and FSM SaaS "services" companies make them easier to integrate, and bring

Sector: *Field Services Management*

Steve Ogunro

Managing Director

(202)-536-5864

steveo@capitalmergers.com

Chris Purcell

Analyst

(612)-216-4970

chrispurcell@capitalmergers.com

substantial benefits to both types of companies. Potentially interesting FSM SaaS “services” vendors that could potentially integrate well with “software” platforms such as those offered by SAP and Oracle include:

Zip Express Installation

Zip targets the massive retail field services market with an innovative cloud platform and a unique token-based billing model that suits the unique merchandising requirements of large retailers across multiple product categories. More information on Zip Express Installation can be obtained at www.zipinstallation.com.

InstallerNet

InstallerNet offers full field services execution with one of the most advanced service configuration platforms leveraged by telematics, other mobile-offering providers, and a broad range of OEMs. More information on InstallerNet can be obtained at www.installernet.com.

OnForce

OnForce is a leader in providing on-site services in information technology and consumer electronics. OnForce’s large base of customers uniquely positions it to drive significant services revenue growth. More information on OnForce can be obtained at www.onforce.com.

Other Interesting Companies in Field Services Management SaaS “Software” and “Services”

Antenna Software

Antenna Software is the largest privately-held mobile enterprise solutions provider in North America. Antenna operates in over 37 countries integrating over 40 enterprise software packages for more than 110 clients. Antenna manages over 12,000,000 mobile transactions for more than 110,000 users, monthly. More information on Antenna Software can be obtained at www.antennasoftware.com.

Astea International

Astea International is a publicly-held (NASDAQ: ATEA) global provider of service management software solutions that address the unique needs of companies who manage capital equipment, mission critical assets and human capital. Focused on serving the unique needs of service-centric organizations, Astea has licensed marketing, sales, service, support and mobile applications to over 500 companies worldwide; including leaders in a diverse range of industries. More information on Astea International can be obtained at www.astea.com.

ClickSoftware

ClickSoftware is a publicly-held (NASDAQ: CKSW), web-based business optimization software-solution provider. The company offers software that enables businesses to schedule, monitor, and manage their service operations, thereby increasing workforce productivity, improving service quality, and reducing costs. ClickSoftware’s Service Optimization software suite includes applications for workload forecasting, workforce planning, service scheduling, problem resolution, business analytics, and wireless workforce management. The company also offers services such as consulting, implementation, and customer support. More information on ClickSoftware can be obtained at www.clicksoftware.com.

Elance

Elance is a privately-held global online marketplace that matches businesses and consumers with over 85,000 rated and registered freelance professionals who provide a range of project-based work and services in 8 main categories including sales and marketing, finance and management, and legal, among others, with a skew toward technology services. Elance’s platform enables a quick and easy way to hire the right talent, monitor, review and approve their remote task, and pay and leave feedback when the proper work has been completed. More information on Elance can be obtained at www.elance.com.

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Field Solutions

Field Solutions is a privately-held provider of independent field service technicians to the electronics industry. The company offers automated technician sourcing and work order management tools, field service project management team, quality assurance and analytical processes, and a network of 22,000+ independent field technicians. Field Solutions clients are leading electronics manufacturers, resellers and service providers. More information on Field Solutions can be obtained at www.fieldsolutions.com.

Install It Today

Install It Today is a privately-held, scalable, turnkey e-Procurement business services platform that enables small businesses, national retailers, contractors, and resellers to offer I.T. staffing and installation services to their customers and matches businesses and customers with over 16,000 industry certified, rated, and customer-oriented technicians nationally. More information on Install It Today can be obtained at www.installittoday.com.

Metrix

Metrix is a privately-held, industry-leading provider of service management and mobile field service solutions primarily focused on the medical devices, high-tech manufacturing, third party service, capital equipment, and printing systems spaces. Metrix's service management software enables end-users to accelerate service delivery, reduce inventory costs, increase contract revenues, maximize warranty recovery, and decrease repair times. More information on Metrix can be obtained at www.metrix.com.

Mincom

Mincom is a privately-held, end-to-end enterprise asset management solution provider. Mincom solutions are provided for asset-intensive industries including: mining, defense, public infrastructure, energy, and oil & gas. These solutions optimize the performance of assets, integrate business processes, and deliver insight into global business operations. More information on Mincom can be obtained at www.mincom.com.

NEW

NEW is a privately-held, end-to-end e-Procurement platform focusing on the consumer electronics space. It provides a full suite of services from matching consumers to one of its 25,000+ service professional, maintaining and extending warranty services, to disposing of the consumer's goods. Additionally, NEW's sister company, Asurion, provides insurance services to wireless carriers and retailers, covering lost and damaged mobile phones. More information on NEW Corp can be obtained at www.newcorp.com.

oDesk

oDesk is a privately-held global online marketplace that matches businesses and consumers with over 250,000 rated, certified and registered freelance professionals who provide a range of project-based work and services in 74 broad categories from customer service to sales and marketing to writing and translation, but with a freelance base of providers skewed towards technology services. One key differentiator of oDesk's platform is its unique project management toolset which allows buyers (enterprises or consumers) to manage their on-demand workforce and see remote work as it happens through collaboration and communication toolsets, including time and work analysis, desktop screen sharing, instant messaging and more. More information on oDesk can be obtained at www.odesk.com.

Oracle

Oracle is an internationally leading publicly-held (NASDAQ: ORCL) enterprise software provider that offers a range of solutions for managing business data, supporting business operations, and facilitating collaboration and application development. Oracle also offers business applications for data warehousing, customer relationship management, and

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supply chain management. Oracle has two products listed in Gartner's Magic Quadrant: Oracle's Siebel Field Service and Oracle's E-Business Suite. More information on Oracle can be obtained at www.oracle.com.

Rollouts

Rollouts is a privately-held, innovative and rapidly growing full-service IT consulting firm. Rollouts provides I.T solutions ranging from project monitoring and management to digital signage to network and system solutions to a nationwide base of clients with a rapidly deployable, scalable workforce. More information on Rollouts Inc. can be obtained at www.rollouts.com.

SAP

SAP is a publicly-held (NYSE: SAP), enterprise software and services provider that focuses on managing accounting, distribution, human resources, and manufacturing functions. SAP offers industry-specific applications for markets ranging from aerospace and defense to wholesale distribution. Today, customers in more than 120 countries run SAP applications from distinct solutions addressing the needs of small businesses and midsize companies to suite offerings for global organizations. More information on SAP can be obtained at www.sap.com.

ServiceLive

ServiceLive is a wholly-owned subsidiary of Sears Holding Corp. It is an e-Procurement service platform that matches pre-screened 3rd party service providers to both residential and commercial consumers through its online system. This platform allows firms to effortlessly generate new leads and scale operations while consumers select their own service professional based upon price, rating, and location. More information on ServiceLive can be obtained at www.servicelive.com.

ServiceMagic

ServiceMagic is a privately-held, international online marketplace that primarily services home improvement needs by allowing household consumers to search for and select a certified, rated service professional based upon their needs. In addition, ServiceMagic leverages its network of 3,000+ service professionals across various functions to provide search and find capabilities with ease to both household consumers and businesses. More information on ServiceMagic can be obtained at www.servicemagic.com.

ServiceMax

ServiceMax, formerly known as Maxplore Technologies, is a privately-held, on-demand field service solution for post-sales service, field service, and strategic service chain management. The suite increases both revenue and customer satisfaction by streamlining and optimizing all field service activities. Built and delivered as a native Force.com cloud application, customers are up and running quickly with a simple pay-as-you-go SaaS solution that is completely integrated with their Salesforce.com CRM. More information on ServiceMax can be obtained at www.servicemax.com.

ServicePower

ServicePower is a publicly-held (AIM: SVR), global technology company that makes scheduling software for companies with a large field-service workforce. The software includes functions for online appointment booking, job scheduling and rescheduling, problem reporting, and dispatching. The company also offers implementation, support, and maintenance services through an extensive network of service providers. Customers include Avaya, British Sky Broadcasting, General Electric, Siemens, and Worcester Heat. Established in 2000, ServicePower has operations in Australia, the UK, and the US. More information on ServicePower can be obtained at www.servicepower.com.

Servigistics

Servigistics is a privately-held, service solutions and business intelligence platform focused on solving complex service business problems. The company largely focuses on the technology and manufacturing industries, providing service

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management products and services, including web-based software that helps companies optimize parts inventory levels for their customer service operations, price parts, and manage field organizations. More information on Servigistics can be obtained at www.servigistics.com.

Syclo

Syclo is a privately-held, flexible, end-to-end mobile workforce management solution provider that integrates with any industry, any device, and any network. Syclo delivers mobile software technology that enables end-users to experience significant gains in productivity and overall operational efficiency. More information on Syclo can be obtained at www.syclo.com.

TOA Technologies

TOA Technologies is a privately-held, mobile workforce management software provider that has been labeled as a “visionary” in this space by Gartner Research. TOA provides a robust web-based platform that enables companies to optimize service and goods delivery, while immediately reducing costs. More information on TOA Technologies can be obtained at www.toatech.com.

Ventyx

Ventyx is a privately-held, leading business solutions provider to global energy, utility, communications, and other asset-intensive organizations. With over 100,000 field technicians and 49 of the top 50 “Fortune 1000” energy companies utilizing Ventyx’s solutions every day, Ventyx has become a strong player in the field services management market. More information on Ventyx can be obtained at www.ventyx.com.

Vertical Solutions

Vertical Solutions is a privately-held field services solution provider that offers customer-driven software that enables companies to enhance their relationship with their customers and prospects. Vertical Solutions specializes in developing, implementing, and supporting customer-experience management software solutions, including customer service, customer retention, field service, mobile environments and sales and marketing automation. More information on Vertical Solutions can be obtained at www.vertsol.com.

ViryaNet

ViryaNet is a publicly-held (OTCBB: VRYAF.OB) field services solutions provider that enables organizations to continuously optimize their service response and to achieve and maintain field service operational excellence. ViryaNet provides a comprehensive state-of-the-art mobile field service solution to companies in the utility, telecommunications, manufacturing, retail, and general field service industries. More information on ViryaNet can be obtained at www.viryonet.com.

WennSoft

WennSoft is a privately-held provider of business software solutions that facilitate the integration of people, process and products. By delivering industry solutions that complement and enhance existing systems, WennSoft improves efficiency, expedites reporting and creates cost saving opportunities for customers. WennSoft has a primary focus on these industries: technical & specialty trades, utility infrastructure, oil & gas, energy, telecommunications, equipment distribution, power generation, equipment management & distribution, elevator & escalator, public sector, heavy highway. More information on WennSoft can be obtained at www.wennsoft.com.

CMA Group

CMA Group is an investment banking firm with a principal focus on mergers, acquisitions and private equity. Through the combination of our partners and management team we have access to over \$1 billion in equity funding which when

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combined with leverage gives us a significant amount of funding with which to complete transactions in a timely fashion. More information on CMA Group can be obtained at www.capitalmergers.com.

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