



BUSINESS SUMMARY 2012

BUSINESS MANAGEMENT CONSORTIUM, LLC ("Global BMC") is a software applications development and service provider, based in New York City. Global BMC plans to expand to Michigan and other regions over the next five years.

- The primary product sold by Global BMC is Construction Punch; an innovative, web-based business-to-business application, obtained by project owners and developers to monitor and track “*project turnover*” progress in real time.

Construction, an emerging global industry — is a \$7.5 trillion market; with an expected growth rate of 70% to \$12.7 trillion by 2020. It employs one out of seven workers worldwide. The American Reinvestment and Recovery Act, approved by both the House and Senate Appropriations Committees, allocated 39% of the stimulus budget for construction-related spending — to be leveraged with private dollars, *as a national priority*.

The United States still dominates in the construction industry (*as it once did with manufacturing*). However, to remain competitive in a global economy, developers must overcome several challenges. The industry is hampered with frequent delays and related cost overruns that result in significant financial losses to project owners, stakeholders, construction management and / or trade contractors.

- Delays on construction projects exceed 31% of the total development budget and 100% of the project schedule on a typical, international project.
- Owner changes and contingencies must be efficiently handled to minimize risk.

The complexities involved in developing, building and monitoring the quality of construction projects, ranging from \$500,000 to \$5 billion, developed *on or offshore*, require the real time, web-based technology and sophistication of Construction Punch.

- Global BMC helps Project Owners meet critical demand to: establish tighter controls; and more closely monitor project progress from beginning to end.

Global BMC delivers a unique real-time solution to an antiquated practice. Construction Punch utilizes a new “cross-industry process” that enables different classes of users — Owner Representatives, Architects, Engineers, Construction Management and Trade Contractors — to interactively, directly enter project status data onto one centralized system.

- Dozens of users enter detail information onto Construction Punch from the field, home or office from easy-to-use online screens, in real time.
- Volumes of data are processed and consolidated into reports accurately in seconds — which traditionally takes months, if not years, to accomplish using current industry practices.
- Project Executives are able to track progress; spot, address and resolve issues sooner; avoid project rework, unnecessary delays and cost-overruns; *and ensure critical milestone dates*.

The business value received by project owners from Construction Punch far exceeds cost.

- Lower direct operating & holding costs; and reduced risk, yield up to six percent of the total Project Development Budget.
- Global BMC supports clients on multiple projects, year after year because it *only makes good business sense*.

Global BMC was organized in 2004. Construction Punch evolved from Stadium Punch, which Members previously designed, developed and implemented to support more than \$700 million in

new construction projects that included the new Cleveland Municipal Stadium; Heinz Field and the Toyota Center.

Global BMC Members have contributed more than \$325,000 in private loans and equity contributions for product market development; and \$1.9 million in equity toward research & development of Construction Punch. Small Business Enterprise application services provided a small stream of accrued income that cover some core operating expenses.

Global BMC achievements to date, include:

- In 2006, Members completed research and development of Construction Punch standard modules and reports to accommodate Building, Non-Building & Specialized Trades projects.
- Global BMC test marketed Construction Punch in 2007 / 2008, which was well received by prominent construction and real estate development executives — notably, the President & Chairman of the Board of Turner Construction.
- In 2009, Turner Construction, widely respected for projects such as Burj Khalifa in Dubai (the world's tallest building), underwrote the cost of a Construction Punch Prototype.

The Construction Punch Prototype was successfully implemented on the \$200 million Medgar Evers Academic Complex project in Brooklyn, New York (co-managed by Turner Construction & McKissack Group) during 2010 to 2011.

- In 2011, Turner hired Global BMC to draft a Policies & Procedures manual to facilitate the transition of operations to real time using Construction Punch (for upcoming projects).
- Several other prominent prospects have been lined up for Construction Punch sales.

Members have made tremendous sacrifices to design, develop and bring Construction Punch to market; but, can no longer continue to bear the brunt of the product market development and preliminary expenses incurred upfront, prior to the closing of client projects.

Global BMC seeks \$2 million in equity capital to take advantage of market potential. Specifically:

- Close and implement two to six projects in 2012 and 2013 (with Turner Construction and other current prospects).
- Adequately handle rapid growth anticipated in 2014 and 2015, as sales begin to scale within client organizations (regionally, nationally and globally); and new clients are obtained.

Equity proceeds will be used for:

- Preliminary product demonstrations; prototype development (for new product market sector lines); continual research & development of Construction Punch.
- Permanent working capital requirements for 12-to-24 month operating cycle.
- Key management and technical personnel; marketing & sales expansion.

High scalability will occur on Construction Punch sales. Global BMC target prospects put-in-place four to 250 projects annually. Sales are expected to scale to 20% or more of the total projects developed by Construction Punch clients. Utilizing a top-down approach, the sales goal of Global BMC is to: retain 15 clients by 2016; 32 clients annually by 2018.

- Total number of projects put-in-place annually: *estimated four to 10 projects, per client.*
- The average project is billed: *\$240 per month per user; typical 30 users, 24 month duration.*

By 2016, Global BMC plans to put-in-place 41 projects or more annually; and earn \$16 million. Gross sales is projected at \$29 million, EBITDA \$9.3 million in 2018.

Global BMC will be poised to capture 2% or more of global market share. The exit plan is for strategic acquisition by a prominent software enterprise solutions company.