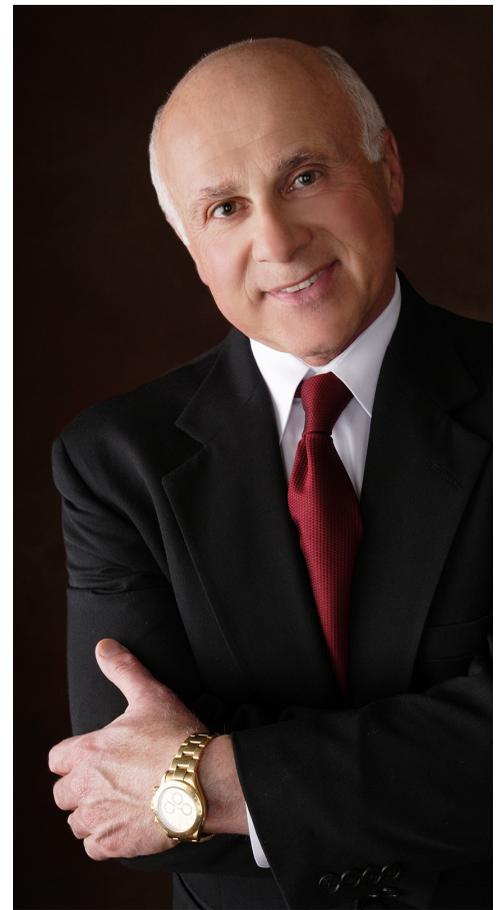




The Keys To BUILDING A WINNER



Richard J. Valentine, President
Global Business Funding Group

Over the years, I've been lucky. But like my father said, **"The harder you work, the luckier you get."** My luck? I've been fortunate enough to have the right idea at the right time. **I said YES to an investment when my partners said, you're crazy.** I was able to negotiate a couple of unreal exits, leaving me with the resources to found, build and invest in more businesses. Thankfully, I've had about 18 really notable successes; still have about two dozen operating businesses - including a couple of new ones that could blow those earlier successes away.

People ask me frequently **what my "secret" is.** And it's not a secret. It's a process built on instinct, sure, but also on common sense, research, building the right management team - **then outworking and out-marketing the competition.** The process has not only helped me build my own businesses. It's also helped to ensure that our investments in other people's businesses will pay off. I learned early on that if, like many private equity investors, you just invest the money and walk away, they're just as likely to squander it as accomplish anything. **We dive in, learn what goes on inside a business, run the company.** If you work closely with the companies you

invest in - mentoring them with the expertise you've developed over decades of building market leaders - they're a lot more likely to grow the business in ways that provide investor return.

Since the process is not a secret, I thought I'd memorialize it a little for posterity, but more to demonstrate to other equity investors what happens when you bring operational expertise to the firms in which you're investing. Here's my overview of what we do to build a winner.



7 steps to Growing a Successful Company



STEP #1 Choose the right concepts/companies.

We look for products or services that have a huge potential market (more on that in a minute). We like to enter unfilled niches - or markets with large opportunities but no clear market leader. For example, when we founded our first Jiffy Lube, we were helping to invent a new kind of automotive service, a niche between auto dealer service and do-it-yourself. It became the way America changes its oil. When we founded Impact Power Technologies, we knew there was a vast international market for longer-lasting portable power, with no strong competitor to the OEM batteries that power the most lucrative markets. (More of the Impact Power story is inside).

STEP #2 Research...research...research.

What may seem like a great concept should always be validated with extensive research into the market...the product...the service...the competition...the people. I can't tell you how often good ideas have fallen apart once you read the research. That's one of the reasons a well-crafted business plan can be vital. It ensures that you analyze the current situation, the size and potential of the market, the strengths and weaknesses of the competition, the fact and numbers that allow you to analyze the opportunity with real world data.

STEP #3 Analyze the market universe

Look hard at your target market universe - not just locally, but internationally. We certainly had successes locally and regionally, with Massachusetts Business Association, Jiffy Lube New England, LCF Associates, United Businessman's Reality and others. But in today's global economy, a market with far-reaching geographic possibilities can be key to strong, rapid, and sustained growth. All 3 of our fastest growing businesses (stories inside) meet this criterion - and are taking advantage of the international opportunities.

STEP #4 Out-market the competition - in both digital and traditional media.

You know you need a professional website, SEO/SEM, content, landing pages, social media, and email marketing. But you also need the high quality printed materials you use in meetings, trade shows, and direct mail. Today's research tells us you need to "touch" a prospect 7 times before that prospect takes notice of your message. You should use every tool available to contact your prospects, convert them to qualified leads, and nurture them through the sales cycle. Use the best marketing communications professionals you can find - and fund the marketing with enough resources to keep it fresh, new, and on-going.





STEP #5

Don't neglect sales.

With the greatest product on the planet - and the most effective marketing tools - you still need people selling. This is especially true if you are selling business-to-business, offering high quality products or services that have a real effect on the client business. You need professionals who know how to sell...who are ready to make endless telephone calls, write follow-up emails and notes, and know how to get the meetings where relationships are formed and sales are closed. Additionally, you need to train them on how to sell your products/services - and provide them with leads to put wind in their sails. Sales are like war, in that you need boots on the ground to gain a strong position. And, like an army, your sales staff needs the weapons to win the battles.

STEP #6

Build the management team - and if there are holes fill them.

Make sure you have a team you trust with every key aspect of the business. If you can delegate, you can devote your own time to what you do best - whatever that may be. This brings us to Step #7.

STEP #7

Watch the money. Like a hawk.

Let's restate that: watch the money. Like a hawk. Every day. Don't shell it out all at once. Set milestones: when x happens, money happens; when y happens, more money happens. You'll get complaints that, without the money, they can't do things fast enough. But you'd be surprised how powerful a motivator the promise of money can be when a milestone is met. That way, the investment is never squandered. Instead, it's used to accomplish what you need it to do.

Take a look at what we've been doing lately to build winners - rapidly growing companies with great products, strong teams, and sustained profitability.

IMPACT POWER TECHNOLOGIES

Rapidly becoming the leader of specialty batteries and portable power packs

The concept: capture a share of a huge, fragmented, international market for specialty batteries and portable power systems. How? By designing, manufacturing and marketing demonstrably better batteries for key niche markets.



THE RESEARCH

showed us that today's world runs on portable power - and the \$80 billion worldwide market for batteries is expected to grow exponentially in the coming decade. Research also showed us that our several niche markets had no leader to compete with the batteries sold by the OEMs.

Those markets:

1. Batteries for land-mobile radios used by first responders
2. Batteries for hand-held UPC code scanners used throughout the retail and distribution industries and other organizations that depend on portable scanners
3. Portable power packs for the military
4. Portable power packs for robotic applications
5. Other Special Projects designing/developing custom portable power packs

THE MARKETING

We developed a state-of-the-art website as the hub of our marketing program. We then developed and located databases to which we could send a series of direct mail pieces and email blasts, customized for each niche and sub-niche market. We added trade shows, with all the bells and whistles and giveaways. And we were ready to attach the market with a multichannel program that would ensure our markets knew that our batteries ran 3 times longer on a single charge - with 3 times the charge cycles - of the OEM battery.

SALES

We recruited a team of expert sales people and a group of equipment resellers to get our products into the hands of the right people in the niche markets. We taught them about the battery industry - and about our industry-leading products. We supported them with databases of leads, plus the extensive marketing program described above. The network of sales staff and resellers now runs coast to coast, with specialists in each of our niche markets.

INTRODUCING WORLD'S FIRST MC-9000 Lithium Polymer

Runtime **2x-3x longer** than Lithium Ion

With up to **900** charging cycles

BETTER Batteries MAKE AN IMPACT

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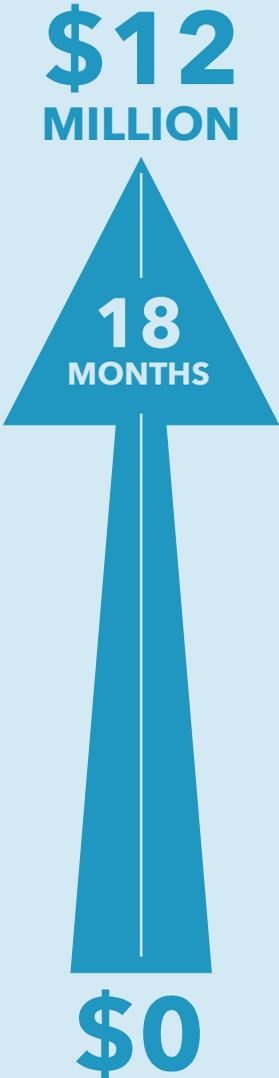
THE MANAGEMENT TEAM

As part of our group of companies, Impact Power Technologies has been able to take advantage of existing leadership, including our Chairman, CFO, COO, and Marketing Director. Added to that: one of our key senior managers joined our group of companies when he closed his company, which made a patented car charger. He owned the patent together with the chief engineer of a large, independent battery manufacturer. When the engineer and two of his people became available at the same time, we knew we had the team we needed to succeed in this new business.



THE RESULTS

We are on target to hit \$12 million in just 18 months. Now that we have such strong traction in these niche markets, sales are increasing at a rapid pace. At the same time, our engineers are working on developing higher-performing products and have created a Special Projects Division that is working on custom batteries and power packs for robotics companies, military applications, hospital uses and more. Our sales projections suggest that we can achieve goals that will make us the single strong competitor to the OEMs in our niche markets.



...ING the
FIRST
... Polymer Battery

...e
onger
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900
... cycles

Batteries Make an
IMPACT
Technologies, LLC



SAFETY SYSTEMS

IMPACT SAFETY SYSTEMS, LLC

The prime choice of safety barriers for race tracks, kart tracks and more

The concept: develop a composite safety barrier that would outperform every other racing safety system and market it to kart tracks and auto racing tracks worldwide, before expanding into the many other applications that utilize portable safety barriers.

THE RESEARCH

showed us that tracks were not satisfied with their current safety solutions. These include hay bales, tire walls, concrete barriers, and plastic barriers that shattered easily. The industry was hungry for a safety system that would solve the various problems presented by older solutions. Impact Safety Systems barriers are that better safety system. Our research also showed that the features and benefits of our barrier systems were demonstrably better than barriers used on construction sites, in mines, at airports and other locations that need to control vehicles and people.

THE PRODUCTS

Impact Safety Barriers are lightweight when empty, so they are portable, plus fast and easy to assemble. With water or sand for ballast, they create the stability required by vehicles at high speed. Their patented connection system makes them quick to replace if damaged. And their composite construction helps to protect vehicles and equipment - and the people who operate them. We proved the barriers first in our own karting and racing facilities - providing in-action proof that Impact Safety barriers were a better safety system. Then we started rolling out to motorsports facilities (the "low-lying" fruit) and other prospect industries.



THE MARKETING

As always with our companies, we created a comprehensive, multi-channel marketing program, using the communication professionals who have helped us successfully launch dozens of companies. We created a website - and, as the company grew and evolved, we have developed entirely new and up-to-date websites. We sent regular direct mail and email promotions to kart tracks and race tracks throughout North America. The direct response brought us a high volume of qualified leads in the USA, Canada and Mexico. And the website has garnered leads from Europe to Asia to Australia. Distributors have been making strong inroads in a variety of other industries, including construction, mining and airports.



SALES

We have kept the sales force for Impact Safety Systems small, spearheaded by our Chairman, a race car driver and owner, and managed by the head of international sales for all our companies. Their knowledge of the industry - and the industry's knowledge of them - has allowed us to make rapid inroads into our target markets. For sales to industries beyond motorsports, we have developed a network of distributors across North America.

THE RESULTS

Impact Safety Systems has just placed its 1 millionth safety barrier. The more racetracks who deploy our barriers, the more we hear from other tracks seeking our safety solution. We are not only becoming the leader in track safety systems, we are expanding into other markets, including construction sites, mining sites, airport security and more. We are also continuing to develop safety barriers that exceed expectations and outperform the competition - creating an extremely bright future for continued rapid expansion of the firm.

EARTHSAFE CHEMICAL ALTERNATIVES, LLC

The first non-toxic, biodegradable solutions developed for challenging industrial problems. Fast, powerful, cost effective



EARTHSAFE
CHEMICAL ALTERNATIVES

The concept: identify huge industrial markets with challenging projects that have required toxic chemicals and/or high numbers of man-hours to complete, then develop non-toxic, biodegradable solutions that will save time, money, and worker health - while eliminating toxic chemicals. We are the first company to develop clean chemicals for industry that are fast, powerful, and cost-effective, opening vast international markets for our products.

THE RESEARCH

Capitalizing on our connections in various industries, we identified a number of extremely large markets with just the sort of problems we can solve with our industry-leading chemical alternatives, developed at the cutting edge of today's science.

26 inch diameter Sea Valve



Manual Wire Brush - 16 hours



EarthSafe Marine - 2 hours

At this time, those problems include:

- Marine descaling
- Boiler descaling
- Cleaning of cement equipment
- Elimination of mold

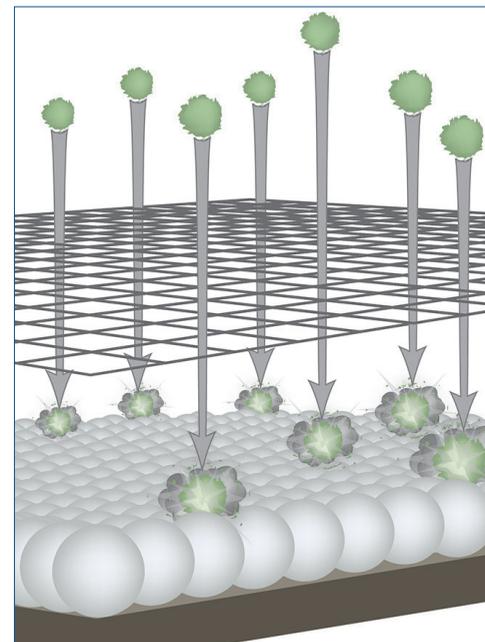
Among the industries we learned are international prospects for our products are navy and coast guard vessels, cruise ships, container ships, the cement industry, institutional and public housing, and disaster recovery and remediation.

THE MARKETING

As always, we are developing a multi-channel marketing program with the website as the hub, direct mail and email as on-going communications, print and on-line advertising in targeted industry publications, a blog, and more.

SALES

We are still in the early stages of development of EarthSafe Chemical Alternatives, so our sales staff is small. Our Chief Operating Officer is spearheading the effort. His direct sales efforts and development of a network of distributors and resellers hungry for green alternatives have allowed us to make immediate inroads into our target markets.



THE RESULTS

Although, as noted before, we are still early in the development of EarthSafe, we are strongly positioned to become the leader in our field - and our fastest growing company to date. Virtually all green companies are dedicated to the consumer market. As the first company specializing in non-toxic chemical alternatives for industry, we are gaining rapid support throughout the industries we are serving. Our projections suggest that we will achieve \$2.8 Million in our first year of operations, with rapid growth in years two through five, as we expand in our current markets and develop additional products for other markets.



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