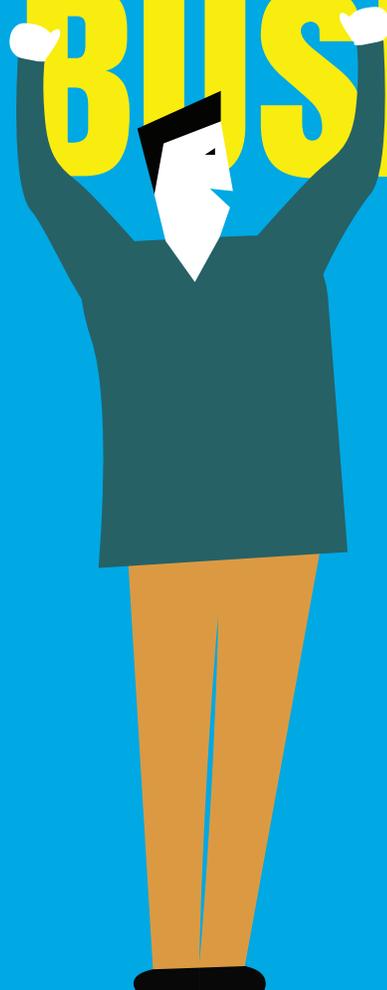


ONLINE TOOLS TO SUCCEED, COMPETE & GROW

EMPOWER LOCAL BUSINESSES





Half of all businesses fail within their first five years.¹

How can entrepreneurs cross the chasm to grow their companies?

Solution on page 18.

EMPOWERING LOCAL BUSINESSES

Successful small businesses are essential to the economic vitality of every community in America, yet they face incredible challenges just to stay in business. New strategies are empowering them to survive, grow, and thrive.



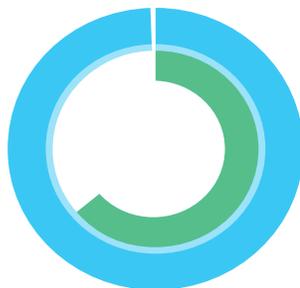
The number one challenge that small businesses face is competition from big businesses.

- CEB Research

Small businesses are the backbone of the US economy. They represent 99.7% of all USA employer firms, contribute 46% of the total GDP, and create 64% of net new private sector jobs.² The bottom line is, **small businesses are big business for communities**. No American community could survive without small businesses, and what's more, small businesses contribute relatively more to the local economy than large businesses because small businesses are more likely to be owned by local residents. (Read "Buy Local" on page 16 for more on this).

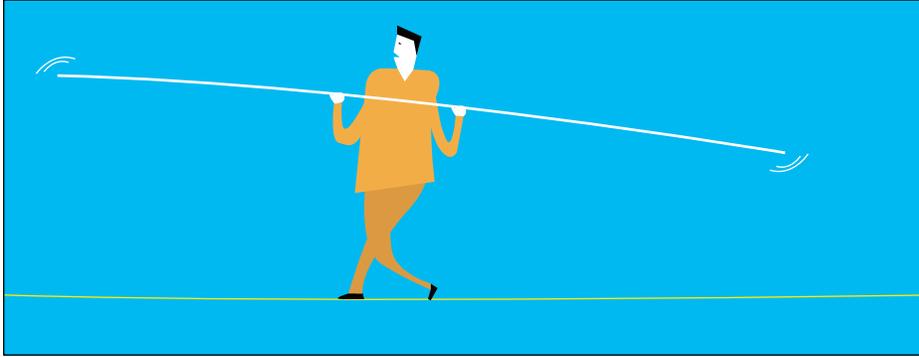
Yet small businesses face incredible challenges. In spite of the hard work put in by entrepreneurs to make their new business startups succeed, about half fail within five years.³ This is an alarming rate of failure and, to add additional pain to these heroic entrepreneurs, when they fail they can also lose their own personal wealth. Sixty-five percent of small businesses use credit cards, but only half of those cards are in the company's name, exposing business owners to extra risk to their personal finances.⁴

According to new research, the **number one challenge that small businesses face is competition from big businesses**, even outpacing other challenges like cash flow, poor sales, and government requirements.⁵ And the pain from competition from large businesses has intensified in its acuteness. In 2011, this problem was ranked as only the fourth most serious problem, and within only two years, it rocketed up to its current spot as number one.⁶



SMALL BUSINESSES...

- Represent 99.7% of all USA employer firms
- Create 64% of net new private sector jobs



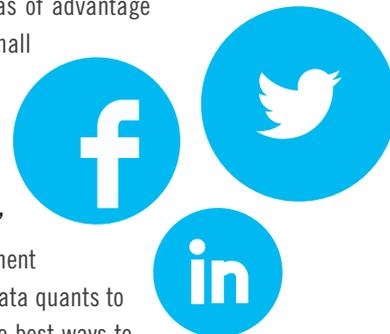
Large enterprises are outcompeting small businesses through their use of technology to make better decisions through “Big Data” and business intelligence.

Big businesses present numerous challenges for small businesses, especially in their access to technology to give them a competitive advantage. For example, one of the key benefits that small businesses traditionally have with customers is their local and personal connection. Their proximity and physical access to customers enables them to develop strong relationships that are more challenging for large enterprises to match. However, big businesses are closing this gap through the use of trigger analysis, social media, and location-based mobile technology. Consider the following examples:

- Large enterprises use technologies that allow sales reps to make contact at relevant trigger moments for sales, such as when a small business owner opens, offers a daily deal, opens a Facebook page or Twitter handle, or takes over from a previous owner.
- Through social media, big businesses can target customers based on where they live, what they like, and their demographics. While locally owned businesses know their clients based on personal relationships, enabling more personalized service, big businesses can now do this on scale based on Facebook or LinkedIn profiles.⁷
- Large enterprises can target marketing, promotions, and other communication to consumers based on where they are located due to the growing use of GPS-enabled smart phones. This enables them respond with locally relevant context and incentives, previously areas of advantage for local small businesses.

Another way that large enterprises are outcompeting small businesses is through their use of technology to make better decisions through “Big Data” and business intelligence. Big businesses can afford to hire expensive management consultants, market researchers, or even employ teams of business analysts and data quants to pour through massive data sets, combine them, and analyze them to figure out the best ways to grow and succeed.

Data can show opportunities that defy conventional wisdom and would not be noticeable based on casual observation or limited information. Ace Hardware’s implementation of an enterprise data warehouse offered insights to boost revenue by tracking and analyzing point-of-sale, customer relationship management, and rewards programs across their numerous locations.⁸ Small businesses can’t do this because they can’t afford to hire consultants or staff, and even if they had access to great market research data – which they almost never do – they wouldn’t have the expertise or time to make sense of it. This leaves these small businesses at a significant competitive disadvantage because **in this information economy, if you don’t have information, you don’t have economy.**

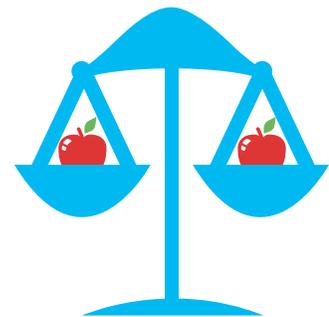


SMALL BUSINESSES WANT BENCHMARKS AND METRICS

Even though small businesses want to compare their performance to competitors, they lack access to benchmarks and metrics specific to them.⁹ Often this is because benchmark data is only available for general industries such as business services, retail, construction, and restaurants. But small businesses don't see themselves as "general" businesses; they have identified specific areas of expertise. Instead of identifying with these general categories, they self-identify as accountants, women's clothing stores, electricians, and Italian restaurants – because that's who they really are.

SizeUp LBI solves this problem by enabling unique businesses to compare themselves to only those businesses they actually compete with, using benchmarking data for thousands of industries.

SizeUp LBI solves this problem by enabling unique businesses to compare themselves to only those businesses they actually compete with.



HOW COMMUNITIES ARE EMPOWERING THEIR LOCAL BUSINESSES

Smart communities are responding to this challenge and empowering their local businesses with information. This levels the playing field so that their small businesses can access the same types of intelligence that big companies use. This enables local businesses to make smarter decisions through data, upgrading the ability of small businesses to be more successful and grow as modern companies.

Organizations like the Greater Oklahoma City Chamber of Commerce, City of Scottsdale in Arizona, Lee County Economic Development Office in Florida, and the Small Business Development Center at Navarro College in Texas are just a few examples of those who recognize the importance of fostering an online strategy to support local businesses. This approach makes their community a better place, with more successful businesses that foster job growth and taxes that create quality amenities, including parks, libraries, schools, public safety, and more.

These places are actively enabling their small businesses to **make data-driven decisions for success using an online service called SizeUp LBI (Local Business Intelligence)**. By implementing the service on government, chamber of commerce, Small Business Development Center, and library websites, communities are able to help their local businesses make better decisions. They help these companies know things about themselves they would never otherwise know without access to this powerful business intelligence.

Access to this kind of online market data changes the playing field for small business owners. SizeUp LBI addresses these critical changes with four market intelligence tools: Business and Industry Analysis, Competitive Intelligence, Advertising Analysis, and Demographic Analysis.

They help these companies know things about themselves they would never otherwise know without access to this powerful business intelligence.

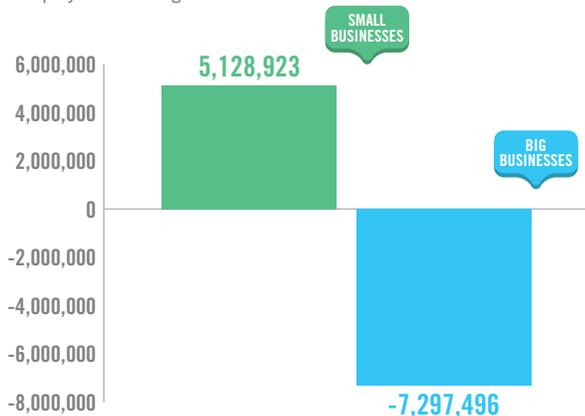


IF YOUR COMMUNITY WANTS JOB CREATION, YOU BETTER FOCUS ON SMALL BUSINESSES

Many American communities are facing challenging times with high unemployment, slow job creation, and the loss of many jobs due to the last recession. However, data shows that if job creation is important to your community, your best path to growth lies with small businesses. Small businesses account for 64% of net job creation in the private sector. In difficult economic times, small businesses contribute even more. After the last recession, the share of net new jobs attributable to small businesses grew to 67%.¹⁰

SMBs CREATE MOST NEW JOBS

Employment Change 2000-2010



JOB LOSSES

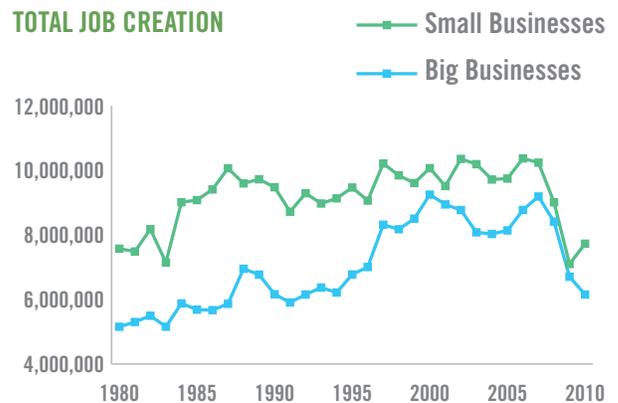
From 2000-2010

BIG BUSINESSES 8 years of job losses

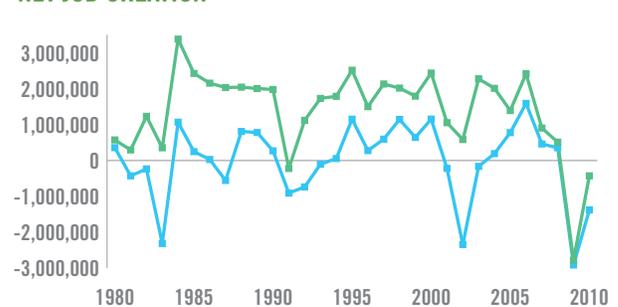
SMALL BUSINESSES 3 years of job losses

SMALLEST BUSINESSES 0 years of job losses

TOTAL JOB CREATION



NET JOB CREATION



**THE SIZEUP LBI SOLUTION:
FOUR TOOLS TO BUILD
THE FOUNDATION OF A
SUCCESSFUL ONLINE
SMALL BUSINESS
SUPPORT STRATEGY.**

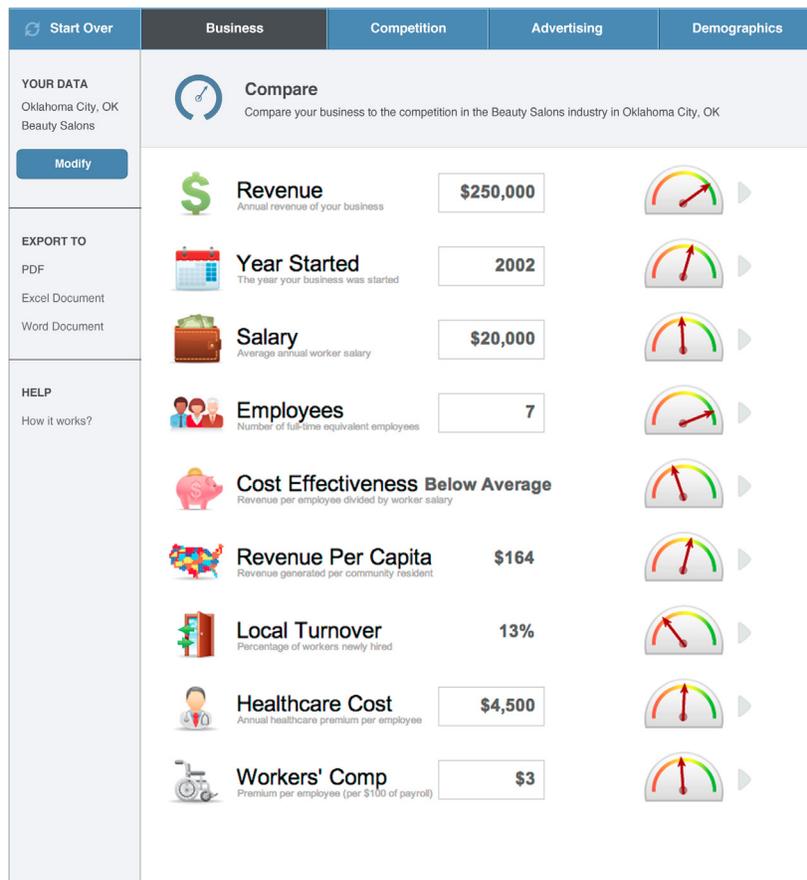
Leran more about these tools on the next pages >

1

COMPARE BUSINESS PERFORMANCE TO COMPETITORS

Business owners can find out how their performance compares to other competitors in their industry, based on benchmarking of their revenue, employees, years in business, and other measures. An entrepreneur that has yet to start a business can use this tool to assess whether their projections are realistic given the state of the competitive market.

It is important for businesses to know where they stand in relation to direct competitors, because they can't know what to improve without knowing where they currently stand. When they know which categories are their weakest compared to competitors, they can then focus more attention on improving in those areas.



It is important for businesses to know where they stand in relation to direct competitors.

THE CONSEQUENCES OF NEGLECTING LOCAL BUSINESSES FOR OUT-OF-TOWN BUSINESSES

Local businesses often feel neglected by their local economic development organizations and perceive that all their economic developers and elected officials care about is attracting businesses from out-of-town. They think that strangers get better business service than the local companies that are the economic meat-and-potatoes that sustain the local economy.

It's the residents and business owners that elect local politicians and who can put personal pressure on governmental officials and local leaders. So when they say "What have you done for us lately?" their expectations matter.

However, serving local businesses through economic development organizations has historically been a huge challenge. There may be hundreds or thousands of local businesses but just a few economic development staff to serve all of them. The ratio makes it impossible for overworked and understaffed economic development organizations to personally help all of these local businesses with customized assistance for each company. That's because the limitation is based on the objective reality no matter how amazing the economic development professionals are in your community, they are still humans that can't work 24 hours a day and serve hundreds of businesses at once. But the good news is that computers and online services are infinitely scalable to serve as many local businesses as you have, which takes pressure off of these ED pros.

Technology has overcome this barrier and enabled economic development pros to not only serve their local businesses with valuable information to help their businesses make informed decisions to be more successful, but SizeUp LBI's Big Data technology also empowers the EDOs to deliver completely customized business research and analysis that is completely unique to every business: every report, benchmark, and analysis created on SizeUp LBI was created and customized online and in real-time to respond to the unique characteristics of the business. The power of big data, computer algorithms, and machine analysis enables every business in town to get high-quality personalized service on-demand from their computer using the EDO's website.

There may be hundreds or thousands of local businesses but just a few economic development staff to serve all of them.

*WHAT HAVE YOU DONE
FOR ME LATELY?*



2 FIND POTENTIAL CUSTOMERS, SUPPLIERS, AND COMPETITORS

SizeUp LBI shows business owners the locations of potential business customers and suppliers on a map and provides these small business owners with contact information, when available, so the owners can directly contact them for business. In addition, owners that sell directly to consumers can track where households spend the most dollars in a variety of groupings. Users can map local patterns for hundreds of consumer expenditure categories, ranging from everything from women's sweaters to new trucks. After creating a heat map of household consumer expenditure data, small business owners can compare where the most money is spent in their industry with the locations of their competitors. This can help identify geographic and economic leakage in some areas that the business can take advantage to increase their revenue.

An additional benefit of this tool is that it encourages and facilitates local business transactions that recycle money in the local economy.

YOUR DATA
Oklahoma City, OK
Cleaners
Modify

Business **Competition** Advertising Demographics

Competition
Map your competitors, customers and suppliers in the Cleaners industry around Oklahoma City, OK

Competitors Customers Suppliers

Add categories of businesses that buy from you: Hospitals

Consumer Expenditures

Consumer Expenditure Totals for Laundry And Dry Cleaning by ZIP code in Oklahoma, OK

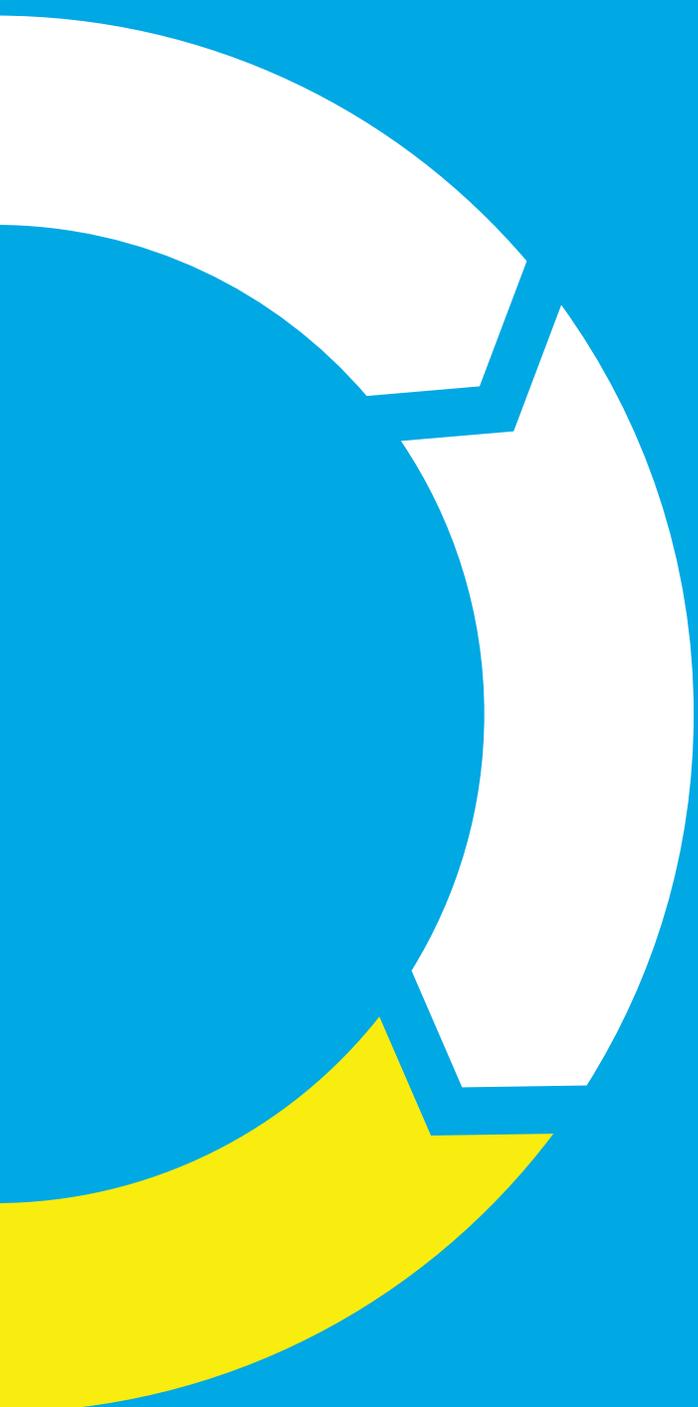
TOTALS	AVERAGES
\$114K - \$267K	
\$75.3K - \$114K	
\$52.5K - \$75.3K	
\$30.7K - \$52.5K	
\$19.1K - \$30.7K	
\$13.3K - \$19.1K	
\$37 - \$13.3K	
No data available	

Business Intelligence Provided By: SizeUp
Map data ©2014 Google | Terms of Use

- Renaissance Womens Ctr**
238 N Midwest Blvd # 1, Midwest City, OK, 73110
- Specialty Hospital-Midwest Cty**
8210 National Ave, Midwest City, OK, 73110
- Va Medical Ctr-Oklahoma City**
921 Ne 13Th St, Oklahoma City, OK, 73104
- Childrens Hospital Of Oklahoma**
1200 Childrens Ave, Oklahoma City, OK, 73104
- O U Medical Ctr**
1200 Childrens Ave, Oklahoma City, OK, 73104
- Ou Children's Hospital**
1200 Childrens Ave, Oklahoma City, OK, 73104
- Bone & Joint Hospital**
1111 N Dewey Ave, Oklahoma City, OK, 73103

HELP
How it works?

This can help identify geographic and economic leakage in some areas that the business can exploit to increase their revenue.



It's an online service you can provide to help your businesses through their entire lifecycle.

HELPING ALL YOUR LOCAL BUSINESSES

The vast majority of companies in your community are small businesses, but even many medium and large companies lack access to business intelligence and market research to help guide their companies to data-driven smarter decisions. SizeUp LBI helps businesses whether they are in the planning stages, have just opened, are expanding, or are going to open new locations. It's an online service you can provide to help your businesses through their entire lifecycle.

3

IDENTIFY THE BEST GEOGRAPHIC PLACES TO ADVERTISE

Business owners can use SizeUp LBI to find the areas with the highest total revenue for their industry so they can target advertising to areas with strong industry revenue. Or, they can choose instead to isolate the areas that are most underserved for their industry, as those might be areas where they can fill a gap in the local market. Owners can also restrict the search to only display areas that fit certain criteria important to the business, such as a minimum household income, demographics, or business characteristics. Comparing this analysis with the household consumer expenditure data gained from the competitive intelligence section, business owners can precisely narrow down the optimal locations to advertise.

Start Over	Business	Competition	Advertising	Demographics
<p>YOUR DATA Oklahoma City, OK Offices Of Dentists</p> <p style="background-color: #2c5e8c; color: white; text-align: center; padding: 2px;">Modify</p> <p>EXPORT TO</p> <p>PDF</p> <p>Excel Document</p> <p>Word Document</p> <p>HELP</p> <p>How it works?</p>	<p>Advertising</p> <p>Best places to advertise in the Offices Of Dentists industry near Oklahoma City, OK based on Most Underserved Markets</p>			
	<div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <p>Household Income: at most \$40,000</p> <p style="text-align: center;">lower <input type="range"/> higher</p> <p>Household Expenditures: No Preference</p> <p style="text-align: center;">lower <input type="range"/> higher</p> <p>Median Age: No Preference</p> <p style="text-align: center;">lower <input type="range"/> higher</p> <p>Bachelor's Degree or Higher: No Preference</p> <p style="text-align: center;">fewer grads <input type="range"/> more grads</p> <p>High School Education or Higher: No Preference</p> <p style="text-align: center;">fewer grads <input type="range"/> more grads</p> <p>White Collar Workers: No Preference</p> <p style="text-align: center;">fewer <input type="range"/> more</p> </div> <div style="border: 1px solid #ccc; padding: 5px;"> <p style="font-size: small; text-align: right;">Business Intelligence Provided By: SizeUp Map data ©2014 Google Terms of Use</p> </div>			

Business owners can use SizeUp LBI to find the areas with the highest total revenue for their industry.

WHEN LOCAL GOVERNMENTS BECOME PARTNERS FOR THEIR LOCAL BUSINESSES' SUCCESS

It is in the financial interest of local governments for their local businesses to succeed and they can enable this success through business services like SizeUp LBI. These companies create new jobs, economic activity, and taxes, which fund the government. However, by providing SizeUp LBI as a resource to businesses, local governments also experience goodwill for being partners in their local businesses' success.

Let's face it, whether it is deserved or not, governments have a perception problem when it comes to businesses. Companies often see governments as their adversaries, not their strategic partners. The fourth biggest pain point for small businesses is government requirements and the sixth biggest is taxes. Providing new services that help these businesses succeed can change the perception of government into a positive one.

MY LOCAL GOVERNMENT CARES ABOUT BUSINESSES LIKE MINE.

For many businesses, the only interaction they have with government is registering for a business license, paying fees, or waiting for approvals to open their business. Providing small business assistance services online makes your local government more accessible and facilitates positive relationship building between government and business.

MY LOCAL GOVERNMENT IS MY BUSINESS PARTNER FOR SUCCESS.

"Free" is a compelling attraction to use a new governmental service. By providing SizeUp LBI to your local businesses, they will value you as an authentic partner in helping them in particular, as well as the business community in general. The type of feeling, value, and relationship deliver long-term value to local entrepreneurs.

Companies often see governments as their adversaries, not their strategic partners.



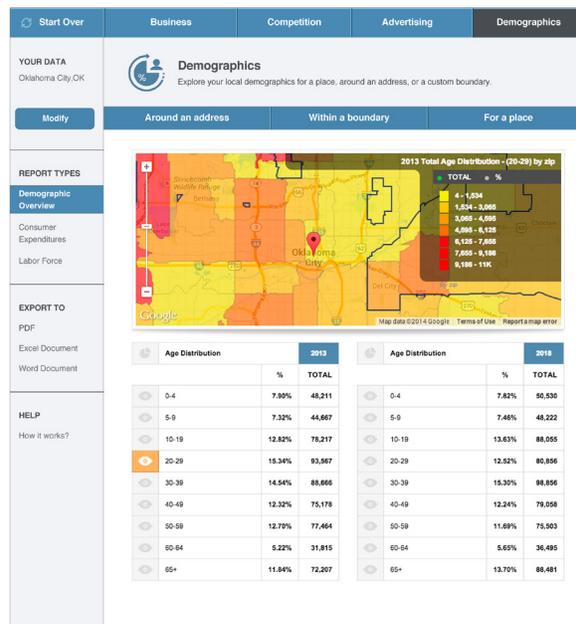
4

GATHER DEMOGRAPHIC, SPENDING, & LABOR DATA FOR EACH UNIQUE BUSINESS LOCATION

Business owners need to understand who lives and works in the areas surrounding their business location. Using SizeUp LBI, owners can access over two thousand demographic, spending, and labor force data characteristics for the potential customers or employees around them. For instance, an owner can find out how many employees of a certain occupation work within 15 minutes drive-time of their address or the amount of money the typical household spends eating out for dinner.

Moreover, basic demographic analysis offers a data report with information about an area, but doesn't actually reveal the geographic location of your target market. SizeUp LBI goes one step further, by allowing users to visualize demographic data spatially and highlight exactly where the densest portion of a given market is located. By comparing that data to the data you have gathered in the other portions of the service, businesses **can now pinpoint exactly where the most desirable markets are located**. This is extremely useful for businesses looking to open a new location or target customers specifically in potentially profitable areas. Business owners can specify custom boundaries for demographic analysis or identify demographics, consumer expenditure, or labor force data around a specific address.

Business owners considering several different locations can run this analysis around each address and find out exactly which location would give them the best chance at success.



Businesses can now pinpoint exactly where the most desirable markets are located.

BUY LOCAL. SELL LOCAL.

WHEN YOUR LOCAL BUSINESSES AND RESIDENTS BUY FROM OTHER LOCAL BUSINESSES, YOUR COMMUNITY'S ECONOMY SUCCEEDS IN THE LONG-TERM

When companies and consumers buy from local businesses, the recycling of dollars in the community leads to a stronger local economy. In economic terms, this is the difference made by the economic multiplier, when money stays within a community rather than leaving to make somewhere else richer.

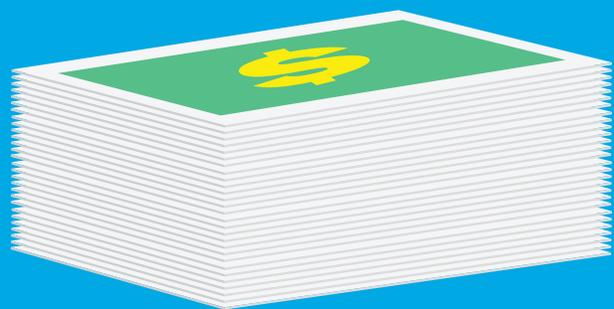
According to research by Civic Economics, spending \$100 at a neighborhood's independent businesses creates \$68 in additional local economic activity, while spending \$100 at a chain store produces only \$43 worth of local impact.¹¹ Another study found that \$100 spent at a local independent business resulted in \$45 in secondary spending locally, compared to only \$13 for a big box chain.¹²

Finding the right local businesses to buy from is critical in the process of ensuring local spending and growing the local economy. Online services have emerged to help direct consumers to companies in their own area. For example, Yelp helps consumers find nearby businesses with a click of the "nearby" button on their smartphone app. This directs consumers to those businesses (in whichever category they are searching) that are geographically closest. On the other side of the transaction, businesses are also looking for local customers and nearby business vendors.

Communities are actively enabling a "Buy Local" effort by making the process of buying local easier, and empowering their local businesses to find local vendors and customers using SizeUp LBI (Local Business Intelligence). By providing the

service on local government, chamber of commerce, Small Business Development Center, and library websites, local businesses can quickly find potential suppliers and customers with a few clicks of a mouse. SizeUp LBI takes a Buy Local approach by revealing the suppliers a company can buy products or services from that are nearby.

It is of critical importance to make finding local business customers and suppliers an easier, faster, and better experience for small businesses. This is because small businesses



are unique, behave differently than large enterprises, and are very loyal.

Online services are essential for research because SMB owners complete 63% of their buying decision process about whom they will buy from before contacting the company they are considering.¹³ The ability to find and research local businesses is therefore essential in this business decisions-making process. Communities that make this process easier, fast-

er, and better will win by keeping businesses spending within their community.

Also, small business owners typically only speak to two suppliers when planning a purchase.¹⁴ Being one of the first that they research is critical, which is why SizeUp LBI shows local businesses first. This makes a real difference, similar to how being on the first page of a Google search matters. In addition, facilitating these business relationships delivers long-term benefits because SMB owners are very loyal. In fact, 68% of SMBs never change their suppliers over the lifetime of their company.¹⁵

When it's an easier and a better experience to buy local, businesses will make that choice. And it's a choice that is better for the business, their employees, their city, the residents, and all of the people that live and work in the community. Successful local spending leads to more jobs created, more resources for local governments to provide better community services, and more businesses that will be created to serve an economically healthy community. All of these, in turn, stimulate a sense of pride and engagement with one's community, which strengthens the cycle of growth.

Finding the right local businesses to buy from is critical in the process of ensuring local spending and growing the local economy.

KEY TAKEAWAYS

SizeUp LBI offers the data mining and processing intelligence that would otherwise take weeks of time, patience, and expertise. Unlike big companies, small businesses simply can't afford to outsource that kind of work to management consultants or market research analysts. This user-friendly, intuitive, and highly visual small business assistance service invites businesses owners to quickly get information they need to make smarter decisions based on high-quality data. With SizeUp LBI, small business owners can:

- **Benchmark themselves against the competition.**
- **Identify potential customers, suppliers, and competitors.**
- **Locate the best areas to advertise.**
- **Research demographics, consumer spending and labor force for their unique business location.**



SizeUp LBI



EXECUTIVES FROM GOOGLE, FACEBOOK, AND SALESFORCE.COM AGREE THAT SIZEUP TECHNOLOGY IS THE BEST AT MAKING BUSINESSES MORE COMPETITIVE AND GROW JOBS IN THE USA.

SizeUp was awarded 1st Place in a Department of Commerce challenge to identify business apps that help American businesses be more competitive, improve their success, foster prosperity, and create more jobs here at home. The list of high-profile judges that selected SizeUp as the best technology included some of the most famous Internet and business leaders in the world including Vint Cerf, Chief Internet Evangelist at Google; Sheryl Sandberg, Chief Operating Officer at Facebook; Vivek Kundra, Executive Vice President, Salesforce.com; Tim O'Reilly, Founder and CEO of O'Reilly Media; John Bryson, US Secretary of Commerce; and Steven VanRoekel, Chief Information Officer of the United States.



Vint Cerf
Chief Internet
Evangelist, Google



Sheryl Sandberg
Chief Operating Officer
Facebook



Vivek Kundra
Exec. Vice President
Salesforce.com



Tim O'Reilly
Founder and CEO
O'Reilly Media



John Bryson
Secretary of Commerce
United States



Steven VanRoekel
Federal CIO
United States

SIZEUP HAS BEEN FEATURED IN MAJOR MEDIA INCLUDING:



For more information, contact:

Mark Hays, National Sales Executive: mhays@sizeup.com

General Information: LBI@SizeUp.com

Website: LBI.SizeUp.com

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End notes

¹ Small Business Administration Office of Advocacy, Sept 2012. From data from the US Census Bureau, SUSB.

² Small Business Administration Office of Advocacy, 2002 – 2010.

³ Small Business Administration Office of Advocacy, Sept 2012. From data from the Bureau of Labor Statistics, BEA.

⁴ Marco Carbajo, "Should I Apply for a Small Business Credit Card?", Small Business Administration

⁵ Source: CEB Research, July 2013, n=1087 N.A.; July 2011, n=1099 N.A.; July 2009, n=1228 N.A. The top 5 rankings are 1.

Competition from big businesses, 2. Cash flow, 3. Poor sales, 4. Government requirements, 5. Quality of labor.

⁶ Source: CEB Research, July 2013, n=1087 N.A.; July 2011, n=1099 N.A.; July 2009, n=1228 N.A.

⁷ For example, large enterprises use marketing campaigns to proactively reach out to wish customers happy birthday, send them targeted communications. They may even individually post and respond to customers on social media platforms with customer service agents working out of call centers in another country, or using computer algorithms to send automated messages individualized with customized communications based on specific actions a small business owner takes, make, or posts online.

⁸ "ACE Hardware Case Study" by Teradata. <http://www.teradata.com/resources/case-studies/Ace-Hardware-EB5099>

⁹ CEB Research presented at the CEB Marketing to Small Business Summit 4/29/14.

¹⁰ SBA Office of Advocacy's Frequently Asked Questions, September 2012. http://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf

¹¹ The Andersonville Study of Retail Economics, Civic Economics, October 2004.

¹² Economic Impact Analysis: A Case Study, Civic Economics, December 2002.

¹³ CEB Marketing Leadership Council & Sales Executive Council; CEB Marketing to Small Business Research, December 2013, n=1070 N.A.

¹⁴ CEB Research, January 2014, n=1224 N.A.; June 2013, n=1087 N.A.

¹⁵ CEB Research, April 2012, n=1030 N.A.

A report by

