

ClearMomentum CompanyNewsLetter

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Number One

In front of you is the inaugural issue of ClearMomentum's company newsletter. This new series of quarterly bulletins will include editorials from ClearMomentum staff along with discussions regarding best-practices, industry updates and company news. To ensure that our content remains relevant to our audience, we encourage readers to contact us with any questions, comments or ideas for future topics.

-Daniel Piehler
Media Contact

The New Best Practice for Partners



Monday Partner's Meeting

Without question, the Apple iPad has forever changed the Monday morning Partner's meeting. Alternative Asset managers may now scroll through the portfolio to evaluate key metrics or swipe EBITDA, Cash, Revenue, OPEX and a host of other metrics versus the operating plan from anywhere in the world anytime day or night. Entering commentary allows for complete interactivity with the central database, immediately updating reports, dashboards or the Portal so that others have immediate access in a collaborative environment.

Partner Productivity

Productivity for the time-strapped Partner is

enhanced with access to portfolio company performance data and commentary without the need to fire up a laptop or open a web browser.

The data is up to date, available instantly with or without an internet connection or the bother of travelling with a laptop.

The New Best Practice

Management practices vary widely from firm to firm, however we see several 'Best Practices' common across the industry. Perhaps the most common is the practice of Partners updating a single performance report with commentary each reporting period.

This process is often cumbersome and time consuming.

Today, ClearMomentum customers enter commentary via the iPad from the back seat of a moving taxi cab on the way to the airport after one Board meeting and on their way to the next.

Scroll through the companies in your portfolio to view data that is always up to date to analyze trends, charts and graphs and update commentary on the spot.

The commentary immediately updates performance reports and is available to others via the iPhone, iPad or web-browser.

BeClear[®]

Thoughts on Implementation

By John Grabski,
Chief Executive Officer



At first, many firms go into the evaluation and implementation of a portfolio management solution with a broad list of objectives. In our experience, the most successful implementations are conducted in small disciplined steps allowing for the opportunity to reflect, evaluate and change before moving to the next step. Following this process results in a higher adoption rate and better use of resources required to implement the system. Perhaps most important, the resulting implementation will reflect your specific workflow and investment strategy.

While each step is 'small', each will represent value. For example; Step #1 is simply the introduction to the portfolio companies, collecting and entering the data and setting up auto-alerts for the next period.

This effort results in a structured database that consists of current and historic financial data that is highly organized and easily retrievable, for reporting, auditing or valuation. In addition, the collection process is now systematic, repeatable and secure.

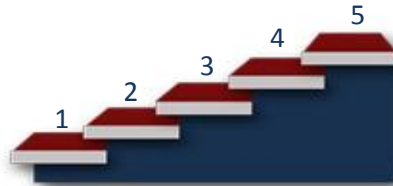
While **Step (#1)** represents only one component of the over-all solution, the fact that the data is now structured, organized and retrievable is valuable in and of itself.

Step # 2 consists of a simple validation process of the data to be certain that financial measures or any non-financial metrics are configured correctly.

Step # 3 consists of a brief training session to ensure that the monthly or quarterly reports and financial statements may be printed prior to the Partner Meeting.

While the process described above is simple, it virtually guarantees successful adoption. The value-add is high for all-parties involved and requires very little time and effort to get to this point. For example, the estimated time to be fully up and running is 45-60 days ARO assuming 60 Portfolio Companies. It is important to note that ClearMomentum will bear most of the work meaning very little time and effort will be required after the introduction to the portfolio company.

Step # 4 will revolve around additional information needs that may be required. For example, you may choose to configure various fund level reports containing specific graphs and metrics that go beyond the standard EBITDA, Capitalization, REVENUE, OPEX, etc. Data-Rooms with user rights and privileges may also be configured at this time.



Step # 5 CRM, Pipeline and Cap-Table implementation may begin at anytime during the process above, however for best results the implementation follows a similar process as outlined above and begins after Step # 4. Upon implementation of the process above, additional data-points may be organized in various reports to satisfy any number of individual needs. Documents may be stored and distributed via the Data-Room.

These same reports may be automated to the extent that they update as new financial periods are closed.

Bottom Line

Keep the implementation simple and manageable and try to avoid boiling the ocean in the beginning. The most basic implementation is often far superior to the old environment.

The average ClearFinancials® implementation runs less than 45 days. Perhaps most importantly, we do most of the work so that you can stay on top of your day job.

Customer Testimony

"Without exception, from top management down through their programmers and staff, we found the business and technical expertise, problem solving, creativity, commitment and responsiveness of ClearMomentum unsurpassed and extremely professional-the product is leading edge and the people are top quality!"

Tom Weldgen
President, CPAC



ClearFinancials® the SaaS solution offered by ClearMomentum dramatically improves efficiency, accuracy, transparency and bottom line profit for the capital provider. In sharp contrast to traditional methods, ClearFinancials® improves the speed, accuracy and security of managing private company financial performance data. With over 100 standard metrics that include acid ratio, free cash flow, adjusted EBITDA and synthetic Z-score, ClearFinancials® enables comprehensive, drill through analytics for portfolio companies, capital managers and commercial lenders.

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CompanyNews

✓ New Editions to ClearMomentum:

Danielle Anderson: Danielle brings a strong background in both Operations and Accounting to the ClearMomentum team. She was the Accounting Manager for *Whole Latte Love*, an internet company located in Rochester, NY and the Director of Finance for *Finger Lakes Premier Properties* in Canandaigua, NY. Danielle earned an AAS degree in Accounting from Finger Lakes Community College.

Nate Stein: Prior to joining ClearMomentum in July, Nate earned a Master's degree in Finance from the University of Rochester's Simon School of Business in June 2011. He graduated with a Bachelor's degree in Financial Economics from the University of Rochester in 2010.

Look for future ClearMomentum job postings in NYC, Boston, San Francisco and London!

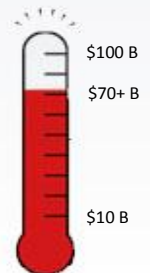
✓ In *Tracking Transparency: Survey Results of Investment Deal Teams*, ClearMomentum employee Daniel Piehler discusses survey results taken from investors, fund managers and analysts regarding financial reporting. [Click here](#) to read

NextIssue

✓ *New partnerships, industry updates and more thoughts on best practices. Be sure to look for the next ClearMomentum newsletter in October.*

FastFacts

- ✓ ClearFinancials® collects, aggregates, and analyzes data for ≈ 1,000 portfolio companies from both the United States and United Kingdom
- ✓ ClearFinancials users average a 22-day reduction in their reporting cycle during the first 12 months
- ✓ CM customers represent over \$70 billion of Assets under Management



About ClearMomentum

ClearMomentum provides industry-leading analytics and reporting for Private Equity, Venture, Hedge, Lenders and Mezzanine Funds and their Portfolio Companies. For more information please visit www.clearmomentum.com

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