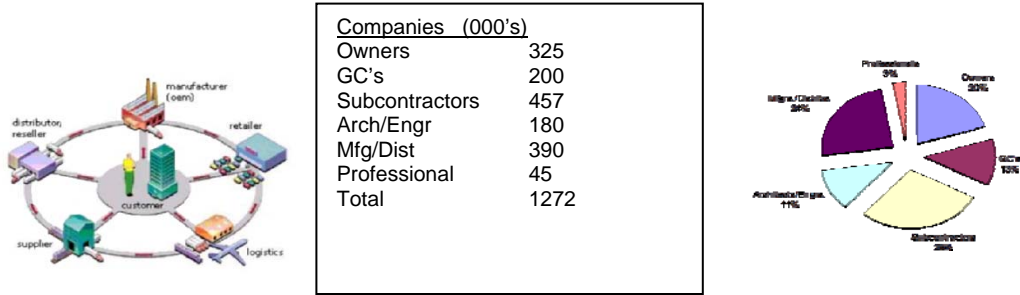


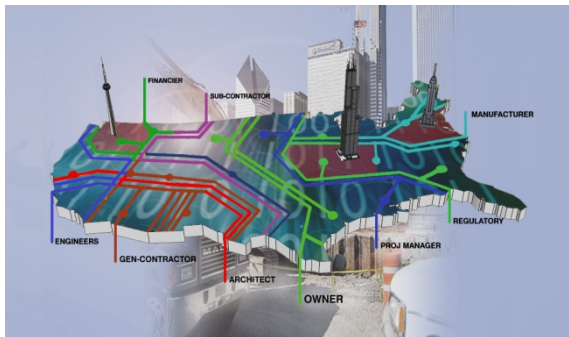
# BuildUSA Executive Summary

**Market Opportunity** Despite the recession of 2009, seasonally adjusted construction spending in the United States hovers around \$1.0 trillion per year, worldwide spending approaches \$3.5 trillion per year. Ironically, even well run and financially lucrative projects are often sources of great frustration for many, if not all of the participants. Construction industry experts agree that greater than 20% of the ultimate cost of a conventional project is wasted. **The building industry is ready to follow in the footsteps of the manufacturing, technology, electronics and aviation industries by adopting lean strategies that dramatically reduce waste and improve quality.** The BuildUSA model is based on exploiting the “circle of interest” that already exists between all of the typical project participants. Building owners and regulatory agencies are increasingly dictating requirements for better quality products, process and performance, all at a lower cost. At a macro level, if you assume 20% of the \$1.0 trillion spent annually may be saved, and that the building owners and building industry would be willing to pay up to 10% of the savings to a solution provider, then the market potential is \$20 billion per year.

## Circle of Interest- “The Market”



**Solution** A cloud based tool that unites the building industry under a consistent, recognizable, branded process will enable the collaboration required to minimize project inefficiencies and support increased process and product quality. BuildUSA Lite is a mostly free platform that provides the owner and building team unbiased, simple to use solutions to everyday project challenges. BuildUSA has identified and corrected the flaws of previous entrants into this space and has added new concepts and functionality (Notes, Sparky and Pipes, Project Start-up, PPO Pre Purchase Order, Details) that open previously untapped revenue streams. Downstream growth will come through add on apps that are point-specific to certain project transactions, and BuildUSA Enterprise Solutions that provide a robust and full range set of solutions for large organizations with more sophisticated requirements. Data will flow seamlessly between BuildUSA Lite, BuildUSA Apps and BuildUSA Enterprise Solutions at a pace that fits the needs of each individual user. Strategic partnerships with well positioned companies will give instant credibility and brand identification to BuildUSA.



The Project always resides in two places: on the physical construction site or on the BuildUSA platform where participants collaborate to make decisions and authorize action.



**Competitive positioning** Dozens of collaborative platforms have entered and left the field since 1998. Few remain. Reasons for the failures include the fact that building is a cottage industry that until very recently was not culturally prepared for change, unworkable license-based revenue models, excessive training costs, and selective exclusion of major segments of the potential customer base. The business model of BuildUSA Lite provides for free, frictionless adoption by users and creates an environment that supports and encourages data sharing throughout the building materials and services distribution chain. This model emulates the best aspects of the Google and Groupon sales success stories.

**Uniqueness** Each industry and business that makes up the circle of interest has data, products, or services that the other wants and requires. Not until BuildUSA has there been a system for putting these parties together efficiently, thereby releasing some or all of the 20% wasted cost on a project. On most projects the total costs are split roughly 50-50 between labor and materials. All other current entrants in the collaborative platform space address only the labor component. Only BuildUSA has found a way to provide a valuable service to the material suppliers and manufacturers, and thereby generate huge new revenue streams.

**Barriers to Entry** Existing platform operators are committed to either license or project fee and implementation consulting revenue models that have severely limited market penetration. They would have to scrap their entire platform and start from scratch to retool into the BuildUSA model. New entrants have historically lacked capital, industry-specific knowledge, and brand identification. Once again strategic partnerships with well positioned companies overcome each of these hurdles.

**Management Team** The principals include Steven Salzman who brings nearly 30 years of experience as a certified architect, along with construction management, real estate development and strategic consulting. Ken Lirtzman is an Industrial Engineer and former management consultant whose family was involved in real estate development and construction for over forty years. John Jackson is a systems developer and consultant who has already brought a limited version of the BuildUSA model to market. The Jackson platform will provide the foundation functionality upon which BuildUSA Lite will expand.

**Product and Go-to-Market Plan** The current BuildUSA plan includes the following activities:

1. Using the existing alpha software and platform architectural specifications, complete the programming and beta testing of the BuildUSA Lite platform.
2. Initiate the development of the Notes app.
3. In coordination with strategic partners, initiate the development and branding process of the Sparky, Pipes, Studs, tablet computers.
4. Use conventional sales and marketing methods to build the AECO (Architectural/Engineering/Contractor/Owner) community user base which represents one side of the “circle of interest”.
5. Use conventional sales and marketing methods to attract manufacturers, distributors, suppliers, and service providers who represent the other side of the “circle of interest”.

With strategic partnership support, these activities may be accelerated and broadened well beyond the scope of the current BuildUSA business plan.

**Financials** The current financial projections show annual sales and pretax profits at the end of Year 4 at \$68 million and \$51 million, respectively.

**Capital raised to date:** The principal owners have contributed a total of approximately \$500,000 to date.

**Amount being sought and timing of close** Already in place are a working demonstration model of BuildUSA concepts, a detailed business and marketing plan, and complete design specifications for the BuildUSA Lite platform. With guaranteed minimum funding of \$1.5 million in two stages based on benchmarks, the Product and Go-to-Market plan noted above could be implemented immediately. As noted above, the speed and scope of these activities could be changed dramatically based on the level of strategic partner’s interest and participation. The financial projections noted above would also have to be adjusted accordingly.

