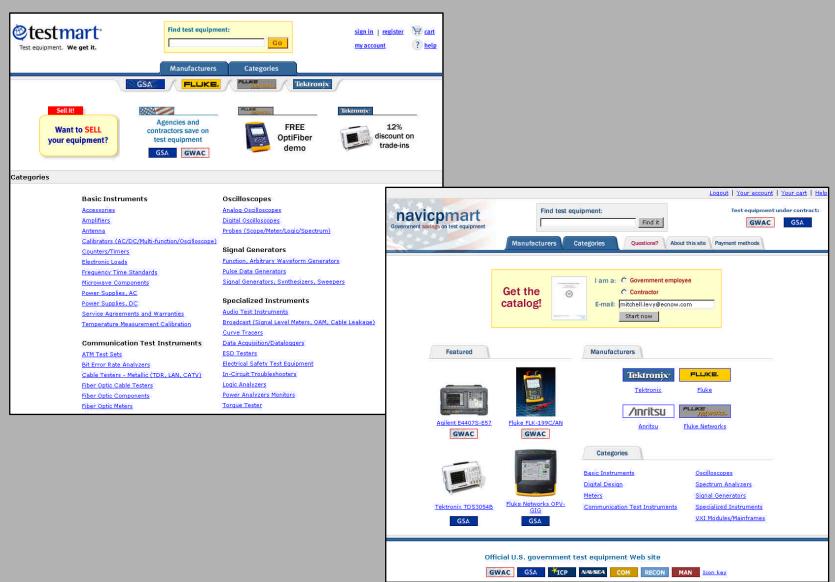
#### **TestMart**





## **Legal Disclosure**



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# High-level TestMart Analysis via the The Value Framework™



$$\Rightarrow$$
 M = Model = (PTPi)

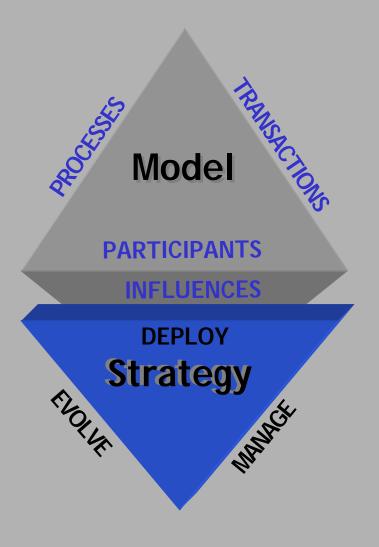
⇒ P = business Process

⇒ T = Transaction type

⇒ P = Participant

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#### Recommendations

### TestMart - 30 Second Pitch



TestMart is the leading marketplace builder, operator, marketer, and service provider for the test and measurement industry. Today, TestMart operates in two distinct markets:

- 1. The commercial sector where TestMart operates online marketplaces, offers new and used test and measurement equipment to the commercial market as well as auction services for organizations and individuals interested in selling their excess inventory through popular commercial channels.
- 2. The military and government sector where TestMart operates online marketplaces, facilitates the purchase of test equipment, operates, markets and processes GSA schedules that enable the sale of test equipment under contract and provides marketing and order processing support to organizations looking to increase equipment or services sales in this sector.

#### **TestMart - Processes**



## Model

SKIINT

- Discover
- Interact
- Transact
- Satisfy

**PROCESSES** 

**INFLUENCES** 

**DEPLOY** 

**Strategy** 

EVOLY

MANAC

 $V = MS^{3 TM}$ 

- □ TestMart has a strong core competency of building and operating e-commerce sites for technical equipment as well as acquiring and managing supplier and customer relationships
- ⇒ The Company has has strong core competency in the managing of large amounts of data: data on the equipment, data on prospects and customers, data on contracting processes, etc..
- One byproduct of these competencies is that the Company has two e-commerce sites that are widely considered the best sites in the commercial and government sectors for test equipment.
- ⇒ The company has an additional core competency of identifying and communicating with prospects and customers in both the commercial and government sectors
- Customer interaction comprises a hybrid model utilizing everything from the Internet to the telephone based on customer need and the Company's leverage points. There are both product and service customers that require different interactions.
- Customer Support is focused and high because the employees know test & measurement equipment, government procurement processes and marketing.

## **TestMart - Transactions**



## Model

2 PM -

- Spot
- Replenishment
- Recurring
- Dynamic

**TRANSACTIONS** 

**INFLUENCES** 

**DEPLOY** 

**Strategy** 

KLOILE

MANAC

 $V = MS^{3 TM}$ 

 ⇒ Both the commercial and government business have enterprise-level, spot, replacement and recurring transaction types

# **TestMart - Participants**



#### **Model**

20 CEST

- Consumers
- Businesses
- Marketplaces
- Applications

**PARTICIPANTS** 

**INFLUENCES** 

**DEPLOY** 

Strategy

EROLLE

HELL

V = MS<sup>3</sup> ™

- □ TestMart commercial business has individuals and businesses as customers. TestMart offers services and products to these customers depending on the type of customer
- □ TestMarts military and government business has individuals, businesses and federal/military organizations as customers. TestMart offers services and products to these customers depending on the type of customer

#### **TestMart - Influences**



#### **Model**

SECULIAN .

- Internal
- External / Competitive
- Environmental
- Technical

**INFLUENCES** 

**PARTICIPANTS** 

**DEPLOY** 

Strategy

EPO1/A

~2 TM

 $V \stackrel{\bullet}{=} MS^{3}$  TM

- ⇒ TestMart as an entity with large numbers of customers, government contracts and outside investors, has many influences:
  - Long-term investors wanting a leveraged return on their money

  - Multiple meta-category product offerings that compete for resources
  - Multiple customer sets in multiple channels some of which have competing needs
  - ⇒ The need to continue to build brand and trust in sectors where the requirements for this are different
  - ⇒ An economic environment that requires that the Company rationalize and prioritize its investments against all business segments and business development activity
  - Internally, there is a great team environment where employees work hard and keep the Company moving forward

# **TestMart - Strategy Deployed**



Model

**PROCESSES** 

**INFLUENCES** 

**DEPLOY** 

Strategy

 $V = MS^{3 TM}$ 

- ⇒ There are no direct competitors
- ⇒ There are flagship products and growth and valuation levers for the Company. This results in multiple, scalable revenue streams that are all related including service, software, and product fees
- ⇒ For customers of these products there are unique value propositions that drive strategy as well as customer loyalty and repeat business. Some of these include:

  - ⇒ Largest selection of products
  - Largest databases of prospects and customers for test equipment and IT support equipment as well as access to these sets
  - ⇒ Technology around e-commerce
  - ⇒ Content around test equipment
  - Proven competence marketing and selling to the commercial sector
  - Proven competence marketing and selling to the government and military through contract and competitive bid process

# **TestMart - Strategy Managed**



Model

**PROCESSES** 

**INFLUENCES** 

**DEPLOY** 

Strategy

MARIA

 $V \stackrel{\checkmark}{=} MS^{3 TM}$ 

- ⇒ TestMart tracks and manages everything for both sites
- ⇒ The company has 100% buy-in from employee/owners as they are completely open with finances and business progress/issues on a day-to-day basis
- ⇒ The company also has excellent investor relationships as these relationships are based on continuity and appropriate visibility into business matters

# **TestMart - Strategy Evolution**



Model

**PROCESSES** 

**INFLUENCES** 

**DEPLOY** 

Strategy

V = MS<sup>3</sup> TM

- ⇒ For 2003, TestMart's #1 goal is to grow customer loyalty, increase customer base and provide commensurate financial return
- ⇒ Concurrent to this timing, the company will begin executing in the leverage phase based on their growth plans
  - ⇒ TestMart has opportunities to leverage themselves horizontally and/or vertically while increasing margins and revenues from core businesses

#### **TestMart - Recommendations**



Model

PROCESSES

**INFLUENCES** 

**DEPLOY** 

Strategy

NAME

 $V = MS^3 TM$ 

- ⇒ TestMart needs to stay the path, driving credibility and capability in both the commercial and government sectors
- ⇒ On the commercial side:
  - Leverage margins and revenue through continued focus on core competencies and proprietary IP
- ⇒ On the government side:
  - ⇒ Continue to develop customer sets
  - ⇒ Increase offerings
  - Enhance financial return by providing real value to customers and partners
  - ⇒ Be opportunistic based on core competencies