



# UniteU Technologies Inc

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## Management

**Soumen Das**  
 President and CEO  
**Eric Tyler**  
 VP Operations  
**Lou Leone**  
 VP Technology  
 Development

Open  
 VP Business Development

## Employees

32

## Industry

e-commerce SaaS

## Finance

### Financing Sought

\$5M

### Use of Funds

- Marketing and Sales Ops
- Technology for Market Expansion
- Technology for value chain enhancement

### Current Investors

15 friends & family

### Financing to Date

250K

## Company Summary Description

UniteU is an ecommerce Software as a Solution (SaaS) provider targeting "specialty" retail merchants who require high performance websites with seamless integration to their backend systems. Established in 1999, UniteU has built an enterprise-class ecommerce platform with supporting "e-tailing" professional services that enable our merchants to aggressively grow their online sales while efficiently managing their order and data flow. UniteU has been profitable for over 8 years and presently has over 200 customers.

## Company Vision

UniteU provides leading ecommerce capabilities of high-end, dedicated "e-tailers" to traditional "bricks and mortar" retailers enabling them to capitalize on ecommerce sales channels. We are competitive at delivering these capabilities because we successfully evolve our SaaS platform by continuously integrating the knowledge and experience acquired through our operations and professional services. UniteU success is derived by capitalizing on this knowledge and experience with our economies-of-scale technologies and efficient delivery model.

## Business Strategy

Since UniteU inception, we have successfully implemented and operated a "SaaS" business model. Presently over 90% of UniteU's merchants have at least 1 traditional retail outlet and have some form of inventory integration into their backend systems. We are considered a high-value, cost-competitive provider that is able to displace in-house ecommerce solutions having high true costs (e.g., IT personnel), lack technical capability, are uneconomical to update or maintain compliance with ecommerce industry standards. We successfully compete against template-driven SaaS ecommerce providers as we are able to maintain complex, highly scalable ecommerce sites that meet the "custom" needs of specialty retail ecommerce. This success has enable UniteU to attract 2<sup>nd</sup> and 3<sup>rd</sup> generation e-commerce merchants who find that their current solutions do not have the capabilities and cost model to scale with their business growth.

Historically, UniteU has minimized expenditures on marketing, relying on customer and business partner referral to acquire new customers. E.g., we spent less than \$60K in 2008. We achieve 80% of our revenue from current customer annuity. With

merchants spending only 2% to 3% of their online revenues

<u>Financials</u>	Last Year	This Year	Three Years from now
Revenue	\$3.94M	\$4.0 M	\$21 M
EBIT	\$0.4M	\$0.4M	\$6M

on UniteU services, there is significant opportunity to increase our customer base and share of wallet. Despite funding continued platform and service development from revenue UniteU has been able to maintain net profit margins in the 5% to 10% range. By leveraging increased revenue opportunities, we can achieve a rate of 25% to 35%.

We are now in a position to rapidly expand revenue and value with a capital infusion

**UniteU would use an initial capital infusion to:**

- a) Increase our sales and marketing activities targeting the merchants in the industry segments best aligned with UniteU's ecommerce platform and integration capabilities.
- b) Implement new technical platform integrations and provider partnerships that are in use by our targeted merchants.
- c) Leverage our expertise and platform data by developing new services to increase our "share of wallet" from existing customers.
- d) Invest in internal tools, processes, and resources to continue our high level of service to our customers while increasing UniteU's profitability.

Achieving \$18 to \$25M of annual revenue, UniteU would be operating with an EBITA margin of approx. 35%. This would position us to be purchased by a larger company that will enable capturing a greater percentage of revenue by expanding products and services in the ecommerce and multi channel value chain.

**Current Products/Services**

UniteU's integrated ecommerce services are delivered on our 3rd generation platform and combined with our complementing professional services give "specialty" merchants:

- 1. Flexible, custom site look-and-feel to effectively sell "specialty" goods such as golf clubs, shoes, clothing etc.
- 2. Technical and business consulting supporting their leverage of our technology to aggressively grow their online revenues.
- 3. SaaS delivery model economies of scale

**Target Market**

We target established small to mid-sized "specialty" retailers and manufacturers aiming to establish online ecommerce channels to complement their traditional physical channels. These merchants are attracted to UniteU's SaaS model as it avoids the high cost of internal technical resources and expertise. UniteU's offerings also attract 2<sup>nd</sup> and 3<sup>rd</sup> generation ecommerce "specialty" retail merchants with proven ecommerce/retail businesses that need more capability/integration to grow (e.g. businesses that have outgrown Yahoo Stores). These merchant typically have online annual revenue in the range of \$1M to \$20M. This is a \$40B a year market segment with 20,000 merchants in play.

**Competition**

UniteU competitors are divided into several tiers. Up market competition includes the high control, high cost model of in house development along with direct competitors including GSI Commerce, ATG, and MarketLive who target sites generating annual revenues of \$40M to \$500M. Mid to low tier competitors include SaaS businesses such as Volusion, Yahoo Stores, and Storefront handling sites generating annual revenues of \$500k to \$10M. These competitors generally do not have strong technical support or consulting capabilities needed for growing "specialty" merchants. On low end, new contractual business requirements such as the Payment Card Industry's Data Security Standard (PCI) make it increasingly cost prohibitive for most small web design firms/merchants to remain compliant and profitable.