

Wilson Sonsini, Hitachi Consulting and FSX Validate SuperLab's Strategy Assessment System; Scores 10 for 10 in Monitored Blind Stress Test

\$350 million of venture capital could have been saved with SuperLab's Strategy Assessment System

What Was Assessed

SuperLab used its proprietary Core Strategy Assessment tool to analyze plans for ten venture backed companies launched between 2000-2003. More than \$400 million was raised by eight high tech companies in diverse industries, one consumer product company and one medical therapy company. SuperLab executed each assessment within 5-10 hours.

What the Steering Committee Discovered

SuperLab precisely forecasted the seven year business and investment performance for 10 out of the 10 companies assessed. Of seven of the companies, SuperLab forecasted four companies would go out of business and three would be sold. Of the three sold, SuperLab predicted one company would be sold for an acceptable profit and while two companies would generate little ROI, if any, from their sale. Three companies remained in business and as forecasted they did not generate a liquidity event or come close to meeting revenue projections in the seven year timeframe. The steering committee judges acknowledged not only the pinpoint accuracy of the assessments, but the keen insights that buttressed assessment conclusions. The steering committee acknowledged the profound implication of this validation test is straightforward – **even if these heavily financed start-ups had the best management teams executing their strategy nine were doomed from the get-go, as SuperLab predicted, because they had the wrong core strategy for the circumstances they were in.**

The Protocol Followed

5-10 Hours Per Assessment. SuperLab devoted on average 5-10 hours of work per assessment. Four plans were assessed at the WSGR offices. Six plans were assessed at SuperLab's offices.

Redacted Business Plans. Redacted business plans or private placement memorandums (PPM's) were provided SuperLab by steering committee members who knew the companies being assessed and their performance record to date. The name of the company, and its principal's names and product names were redacted.

No Information Beyond the Date of the Business Plan. SuperLab was not allowed access to any information beyond the date of a company's business plan. Further, SuperLab was not allowed to contact any customers, vendors or management team members. In order to help satisfy the requirements of **no information beyond the business plan date**, the principals and staff of SuperLab provided the Steering Committee affidavits of Honest Performance.



Actual Blind Stress Test Session
at Wilson Sonsini Goodrich & Rosati

