



Helping Clients Engage the Global Economy

May 10, 2012

Dr. Don B. Bradley III
President
International Council for Small Business (ICSB)

Subject: Partnership Proposal for ICSB Professional Networking Program and Portal

Dear Dr. Bradley,

Thank you for the opportunity over the past several weeks to discuss how ICSB and Mercator XXI, LLC can partner to deliver programs that are of value to the professional community, as well as to both of our organizations.

Mercator XXI, LLC, proposes to organize a global professional networking program, in partnership with ICSB. This program will be in the form of an online portal and database, as well as a set of premium matchmaking and consultancy services for ICSB members. The service will allow researchers, educators, policy makers, practitioners, and small business owners to collaborate with each other in a mutually beneficial way. The program may also be extended, for a suitable fee, to other organizations that have the same needs, to expand the network of business collaborators.

With the experiences, direct insights, and network of our Principals and Affiliates, we believe that Mercator XXI is best positioned to execute on this program. Below is a proposed partnership agreement for executing this program, based on our discussions over the last several weeks. The details of the program are described further in the attached Program Description.

Term of the Agreement

Mercator XXI, LLC will partner with ICSB on executing this program on a yearly basis, starting from June 1, 2012. The Agreement will be considered renewed automatically on June 1 of each year, unless either party communicates the intention to terminate it at least 30 days before the date of renewal.

Scope of the Agreement

Hesham Wahby, Principal, Egypt & Middle East, Mercator XXI, LLC will assume primary responsibility for working with ICSB and its designated officials, and providing the resources necessary for the implementation of the program. For practical purposes, the primary contact throughout the execution of this program from ICSB's side will be Amr Gohar, Senior Vice-President, Programs, ICSB.

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ICSB Professional Networking Program: Partnership Proposal***During our partnership, Mercator XXI, LLC will:***

- 1) Participate with 1 member on the Governing Board of the program.
- 2) Manage and cover the cost of developing and maintaining the website for the portal.
- 3) Manage and provide the human resources for the Matchmaking Team.
- 4) Send periodic matchmaking suggestions to subscribers in the Full and Premium packages.
- 5) Provide access to Mercator XXI's network to subscribers in the Premium package.
- 6) Organize matchmaking and networking activities related to the program, as part of events organized by ICSB and it's partners or affiliates. (Not including any additional venue, setup and management costs related to such events.)

During our partnership, ICSB will:

- 1) Participate with 2 members on the Governing Board of the program.
- 2) Promote the program among ICSB's affiliates and partner organizations.
- 3) Market the program to ICSB members through the organization's communications.
- 4) Provide access to ICSB's network to subscribers in the Premium package upon request from the Matchmaking Team.
- 5) Assist in organizing matchmaking and networking activities related to the program, as part of events organized by ICSB and it's partners or affiliates.

Both partners agree to communicate the branding of both ICSB and Mercator XXI, LLC on all materials and in all events related to the program.

Financial Terms and Conditions

In providing its services, Mercator XXI will incur an annual cost ranging between \$20,000 - \$30,000, to cover the cost of personnel needed to run the program, as well as website operation and hosting.

Thus revenues from the program will be shared between Mercator XXI and ICSB as follows:

- 1) Any revenues up to a total of \$20,000 in the first year (June 2012 – May 2013) will be retained by Mercator XXI and go towards covering its costs.
- 2) Any revenues up to a total of \$25,000 in the second year (June 2013 – May 2014), and each year thereafter, will be retained by Mercator XXI and go towards covering its costs.
- 3) The costs of marketing through sponsored online advertisements and social media will be deducted from the revenues generated from the program. The decision to incur these costs will be made based on whether the revenues being generated are sufficient to justify and cover these costs.

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ICSB Professional Networking Program: Partnership Proposal

- 4) After accounting for the cost allocations above:
 - a. Any additional revenues generated by the Basic and Full packages will be shared equally between Mercator XXI and ICSB, each receiving 50%.
 - b. Any additional revenues generated by the Premium package will be shared with Mercator XXI receiving 80%, and ICSB receiving 20%.
- 5) Mercator XXI will be responsible for the collection of revenues from the website, and their distribution according to the plan described above at the end of each quarter.

We are prepared to execute this proposed agreement as soon as possible.

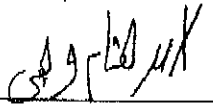
If you agree to the above provisions, please sign, date and return to us the enclosed counterpart of this agreement.

Yours sincerely,

Mercator XXI, LLC

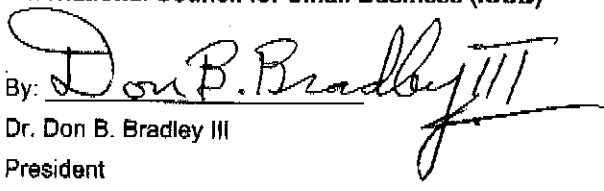
By: _____

Hesham Wahby
Principal, Egypt and Middle East



AGREED TO:
International Council for Small Business (ICSB)

By: _____
Dr. Don B. Bradley III
President





Helping Clients Engage the Global Economy

ICSB Professional Networking Program

Program Description

Mercator XXI, LLC, proposes to organize a global professional networking program, in partnership with ICSB. This program will be in the form of an online portal and database, as well as a set of premium matchmaking and consultancy services for ICSB members. The service will allow researchers, educators, policy makers, practitioners, and small business owners to collaborate with each other in a mutually beneficial way. The program may also be extended, for a suitable fee, to other organizations that have the same needs, to expand the network of business collaborators.

Background

Motivation

In the rapidly integrated global marketplace, it has become increasingly important for business leaders to collaborate with each other for mutual success. To achieve this, there is a need for a system for discovering potential collaborators, and effectively finding good matches for partnerships and other business relationships. Professional associations such as the ICSB provide a great community for creating such relationships, but do not have an organized platform to specifically achieve this objective.

This proposal is for a program that aims to achieve just this purpose, through a combination of a technology platform, and matchmaking consultancy committee. The model has been implemented before under the name of businessNEXUS, and has proven its success within the scope in which it was delivered. The program can be implemented in a number of select organizations and communities, which can then connect with each other for increased access to a larger pool of potential business collaborators.

Organizing Partners

Mercator XXI, LLC

Mercator XXI, LLC is a professional services firm helping clients engage the global economy. Drawing on over 30 years of business and marketplace experience in government and public affairs, Mercator XXI, LLC provides insights and support to seize opportunity in all four hemispheres. Mercator XXI has also been involved in a number of initiatives related to entrepreneurship, and small and medium enterprises (SME). Mercator XXI organized the first business matchmaking activity in Egypt, and created the businessNEXUS brand, which was successfully implemented on a number of occasions as described below.

International Council for Small Business (ICSB)

Founded in 1955, the International Council for Small Business (ICSB) was the first international membership organization to promote the growth and development of small businesses worldwide. The organization brings together educators, researchers, policy makers and practitioners from around the world to share knowledge and expertise in their respective fields. The ICSB's global reputation and network makes it an excellent partner in developing the concept of the businessNEXUS into a truly global platform for business collaboration.

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ICSB Professional Networking Program: Program Description

Previous Implementations

The businessNEXUS concept has been implemented successfully in the past on a number of occasions, but mainly in two different contexts:

- A businessNEXUS event was held as part of the activities of the Global Entrepreneurship Week (GEW) in 2009 and 2010. Mercator XXI was the initial private sector sponsor of GEW Egypt. In this context, businessNEXUS was targeted at networking and matchmaking for entrepreneurs and SME professionals. Participants in the GEW businessNEXUS were required to register a few weeks in advance of the event, and then appointments were set up for them based on the information submitted and their preferences. In 2010, 25 companies attended the event, resulting in more than 70 inter-company meetings during the event. Out of both years, the GEW businessNEXUS database now contains about 140 registered professionals who are interested in this collaboration activity.
- An ongoing businessNEXUS activity has also been created to serve more than 500 members of the Egyptian Junior Business Association (EJB). This activity was launched during the EJB B2B conference in June 2011. A solution more tailored to the needs of the EJB members was designed to allow them to post collaboration requests and tenders on an ongoing basis. During the launch at the B2B conference, a businessNEXUS networking event was also held in the style of the GEW activity.

Through these previous implementations, the businessNEXUS concept has been proven as a successful model. We propose to create a value-added service to SMEs by partnering with the ICSB to expand the scope of this model. We propose doing this through implementation in reputed business communities like the ICSB, while growing the brand as a platform for increased business networking and meaningful collaboration.

Target Audience

The target group mainly consists of professionals in a number of different sectors who have a need to collaborate on achieving business-related objectives as well as start new business endeavors. The ICSB classifies these professionals into researchers, educators, policy makers, practitioners, and small business owners. There may also be other organizations that are interested in supporting these professionals.

Value Proposition

For business executives, academicians and other professionals:

- Expanding their network of professionals involved in related lines of business.
- Creating partnerships to address operating issues and problems they are facing.
- Potential access to funding, management consulting and/or mentorship.
- Learning from the experiences of others facing similar problems in business.
- Moral support from an affinity group of professionals in related areas.

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ICSB Professional Networking Program: Program Description

Program Model

Governing Board

A Governing Board will supervise the program, and will be responsible for its overall strategy and planning. The Board will be made up of 3 members, including 1 member from Mercator XXI, and 2 members from the ICSB.

Program Portal

The program model is based around a website, which provides a platform for building a community of participating professionals, and creating opportunities for mutual collaboration. The website includes the following components:

- A database of all registered participants, along with a listing of each participant's current interests in collaboration. This database is complemented with a set of interactive forms through which participants can create a profile, and then post collaboration opportunities, tenders, and meeting requests.
- A meeting appointment system, which allows participants to directly request a meeting, and accept or reject meetings which are either requested by their counterparts, or suggested by the matchmaking committee.
- A back-end to allow the Matchmaking Team to easily suggest and organize meetings in advance of networking events, or help paying participants in their networking efforts on an ongoing basis.

Matchmaking Service

To complement the website, a Matchmaking Team will be available on a permanent basis to operate the matchmaking service. This Team will make regular suggestions of potential collaborators to the members of the service. They can also get involved in making business introductions where needed.

Networking Events

To enhance the service, and maintain the engagement of members in the network, the program will also include occasional networking events, at which a large number of business introduction meetings are scheduled in one place on the same day. These events will be organized in various locations around the world, and may be organized independently, or organized on the alongside related events organized by ICSB or partner organizations. This activity when tagged onto other events also has the added benefit of increasing the attendance to the main event.

During the events, participants will be able to have brief introductory meetings with other professionals. The meetings will be pre-scheduled based on the participants' profiles in the database, and the needs or issues they wish to address. Participants will also have the opportunity to directly request meetings with other members on the spot, or just network with each other in an unstructured manner.

A few weeks before the event, the Matchmaking Team will do a full review of the database, and create a list of match suggestions. Meeting requests will then be sent out to both parties in each suggested match, highlighting that this is part of a networking event. Participants can accept or reject the meeting requests they receive. They will then come to the event knowing with whom they are going to meet beforehand. Once both partners sign in on arrival, they are introduced and provided with a meeting space. Participants will also receive a list of the other members attending before the event, so they can request a meeting themselves directly, either at the event or beforehand.

ICSB Professional Networking Program: Program Description

Revenue Model

Pricing Model

The service will be offered under a three-tiered pricing model. The three package options are designed to give users the ability to choose how much they want to outsource their business networking, marketing, and lead generation activities. These three packages are described briefly below, and more completely in the summary table at the end of this section. Each package is offered at a discount to ICSB members and members of affiliated organizations, and at a slightly higher full price to the general public.

Basic Package

This package includes the most basic option, provided free to ICSB members, and for a nominal fee to the general public. It includes basic browsing access to the online database, and the ability to post collaboration opportunities, as well as directly request meetings. An automated matchmaking system will return matches based on the structured information entered in collaboration opportunities.

Full Package

This package provides complete access to the online database, including advanced search facilities, and access to members' contact information. It also adds periodic collaboration partner suggestions, made by the staff running the program. Suggestions will be at least one per quarter for each participating member.

Premium Package

This package focuses on providing a more personal service to these premium clients. Mercator XXI's staff will contact each participating member directly by phone at least once per month. These calls will be made to understand the client's exact needs for networking and lead generation, and then making sure that they are being met on a regular basis. The package includes at least one suggestion per month, which may also include leads from Mercator XXI's own network outside of the online database. Mercator XXI may also help in making the introduction on behalf of the client in the case of finding an interesting match.

Referral Incentive

To encourage the accelerated building of a wide user base, a referral system will be incorporated into the program. Paying users who refer new members to sign up on the system will be offered an incentive discount of 2% off their own membership fee for one year after the date of the newly registered user, up to a maximum of 10% off. The newly referred user will also receive 2% off their own membership fee, as an incentive to report their referring member, and a further incentive to join the service.

Costs and Revenue Sharing

In providing this service, Mercator XXI will incur an annual fixed cost ranging between \$20,000 - \$30,000, to cover the cost of personnel needed to run the program, as well as website operation and hosting. This is assuming that the program will require one reasonably experienced full-time staff individual, who shall be based in Cairo, Egypt.

Thus, revenues from the program will be shared between Mercator XXI and ICSB, after accounting for the costs above. The first \$25,000 in revenues each year will be retained by Mercator XXI and go towards covering these costs, and then any additional revenue will be distributed between Mercator XXI and ICSB, with the exact share based on the package from which the revenues are coming from. In the first year, Mercator XXI will absorb some of the cost burden, and reduce the number to \$20,000, as an incentive to launch the program.

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ICSB Professional Networking Program: Program Description

Revenues generated by the Basic and Full packages, after covering the fixed cost above, are essentially profits. These will be shared equally between Mercator XXI and ICSB, each receiving 50%.

The Premium package will be mostly based on Mercator XXI services, and will involve additional costs in terms of staff time and efforts. Thus, revenues from this package will mostly go to Mercator XXI, at a rate of 80%, while ICSB will receive 20% of the revenue after accounting for the fixed cost above, which will be pure profit from ICSB's standpoint in this case.

Summary of Packages

	Basic Package	Full Package	Premium Package
Profile creation and posting			
collaborations			
Meeting appointments system			
Automated matchmaking			
Browsing profiles and collaborations			
Viewing contact info for accepted meetings			
Viewing contact info for any profile			
Advanced search			
Collaboration suggestions per quarter			
Access to Mercator XXI's extended network			
Monthly service calls			
Assistance with introductions			
Matchmaking for networking events			
Price for members of ICSB & partner organizations			
Price for general public users			
ICSB revenue share (after cost recovery*)			
MXXI revenue share (plus cost recovery*)			

* Cost recovery is \$20,000 in Year 1, and \$25,000 for each year thereafter.

ICSB Professional Networking Program: Program Description

Website Design

The website online database will be tailored to suit the needs of the ICSB community. Some of the key design elements of this database are described below.

Functionality Description

Each participant will be able to create a single profile when they join the website. They will then be able to post as many collaboration opportunities as they want attached to this profile.

Based on these collaboration opportunities, the system will automatically generate matches for the user. Full and Premium users will also receive match suggestions from the staff, which will be more substantive in nature than the automatically generated ones.

The user may browse these matches, as well as browse the database more generally. Full and Premium users can also use more advanced search functionality with any combination of the information in the profiles and collaboration postings to quickly filter the database according to their preferences.

Participant Profile

	Field	Response Type/Range
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		

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18	

Collaboration Opportunity Posting

	Field	Response Type/Range
1		
2		
3		
4		
5		
6		
7		
8		

Promotion

This program's service becomes exponentially more valuable as more users start to use it, thus promotion of the program to expand the user base will be key to its success. A number of promotion approaches are described below, and other approaches can be discussed once the basic model is agreed upon.

ICSB and Partners' Websites

The main promotion method will be a direct link on the ICSB website to register for membership. A similar link will be included on the Mercator XXI website, as well as the websites of other partners of both organizations that are willing to participate in its promotion.

Referral System

As described under the revenue model, a referral system will also be set up to accelerate the expansion of the user base once a few members have signed up.

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Social Media

The service will also be promoted through the use of social media services such as LinkedIn, Twitter and Facebook. Once the user base starts to grow, we can also think about how to integrate it into some of these platforms that support extension applications.

Sponsored Links

The service can also be promoted through the use of Google AdWords and similar services that post a sponsored link when users search for a related term. This will, however, require some careful planning, to make sure that the cost is reasonable compared to the revenue generated.