Mytech Partners, Inc. Strategy

The framework that we followed to guide us through defining Mytech's strategy is based on the "7 Strata of Strategy" from Gazelles, Inc. which was founded by Verne Harnish[i]. There are several components, that when woven together, (hopefully) provide a clear understanding of Why we exist; what we do; who we serve; where we serve; and how we are going to fulfill our Mission and Vision. Here are the components that will be more fully described later in this document:

- Words You Own

- Sandbox

- Brand Promise

- Brand Promise Guarantee

- One-Phrase Strategy

- Differentiating Organizational Design

- X-Factor

- Revenue per X

- BHAG[ii]

Words You Own:

Words you own is intended to be the 'mindshare' you have with your brand. What words do we want to come to the minds of our target clients when they think of Mytech Partners? How does our target client *feel* when they think of Mytech? "Make IT Easy" is the phrase or the words we want to own in the hearts and minds of our target clients. We want our clients and prospects to think of us as the company that helps make IT easy. "Make IT Easy" is also our marketing Tagline that will be included in all external marketing and communications.

Sandbox:

This section is to define well, your sandbox – where are you going to play?

Who/Where (Core Clients)

We choose to serve Small and Medium Businesses that fall into the following criteria:

- <u>Demographic</u>: 15 -500 technology users

- <u>Geographic</u>: Targeting organizations within a 45-mile radius (~1-hour drive or less) from our physical offices

- <u>Psychographic</u>: Two major categories as defined by *Crossing the Chasm*[iii]. Early Majority – Pragmatists: whose goal is to make a percentage improvement, incremental, measurable, predictable progress; and the Late Majority – Conservatives: whose goal in buying technology is simply not to get stung. Combined, these psychographics represent two-thirds of the total market.

What (Products and Services)

We are a Managed Services Consulting organization. Our Smart Business Suite and Co-Managed IT (CoMIT) programs are business consulting services that deliver a proven IT strategy, and remove IT challenges for our clients. The infrastructure solutions we deliver are defined by our Mytech Best Practices Value Map. We also re-sell Cloud hosting services, such as O365, SaaS, PaaS, and IaaS. We do NOT sell or intend to sell Mytech owned cloud services.

Brand Promise

When you purchase products or subscribe to services, you expect that the product or service delivers on the reason why you chose to buy. If not, then you would most likely return it, or cancel your service. Products and services that have a clear brand promise are more likely to be purchased as the consumer knows what to expect and understands the value before making the purchase decision. We need to deliver outcomes for our clients - every company will say they have great service. The Mytech brand is not a thing, it's a promise!

Mytech Partners Brand Promise:

Our Clients will achieve 4x More Value & Productivity from their IT Investments

Supporting Components of our Brand Promise:

By subscribing to one of our Managed Services Consulting programs, and adhering to our Mytech Best Practices Value Map, we:

- Remove IT challenges

- Enable our clients to serve their customers better

- Empower our clients to be more adaptable to other business challenges

Key Performance Indicators (KPI's):

These are the measurements that will help us track whether we are delivering on our Brand Promise. From what we understand in the Managed Services industry, there are very few organizations that have a defined Brand Promise, AND specific, measurable metrics to prove that they are fulfilling their promise(s). Here are the four KPI's that will indicate whether as ONE Team, we are fulfilling our Brand Promise:

- Less than 30 min/employee/month of productivity loss due to IT support requests. Note: this specifically pertains to reactive tickets where something is broken, and we need to restore normal function. This does NOT pertain to move/add/change requests, as those items are outside of our influence or control.

- Net Promoter Score of >50%

- Net Positive reaction on Ticket CSAT of >97%

- Number of times we waive termination fees. Note: this would be due to missing the above KPI's, and a client chooses to cancel our services.

Brand Promise Guarantee:

The 'Catalytic Mechanism(s)'[iv] according to Jim Collins 'are the crucial link between objectives and performance.' One of the challenges in the Managed Services industry is that clients do not have the opportunity to sample our services before entering into a long-term contractual agreement. What guarantees to they have that they will not find themselves in the same situation that led them to leave their current provider? Having a guarantee that backs up our brand promise provides the client confidence to move forward knowing that there are consequences if we do not deliver on our Brand Promise. The client can enact the guarantee, if they fulfill their obligation as a client – a brand promise guarantee is a two-way street to hold both Mytech and the client accountable.

Mytech's Brand Promise Guarantee:

Mytech agreements can be terminated, and we will waive the Managed Services termination fee if the client has fulfilled the following:

1. Executive participation in annual Strategic Planning & Budgeting session(s)

2. Participation in the building and execution of a technology plan that adheres to the Mytech Best Practices Value Map

One-Phrase Strategy:

The concept behind a One-Phrase Strategy is to identify ONE PHRASE that can drive the business forward in every facet. When defined and executed well, the One-Phrase Strategy will help drive stickiness with clients. It will drive the selection of the vendors and solutions we offer to our clients. It is difficult to execute. It will not be a fit for all potential clients. When the entire organization is operationally aligned to this single focus, it is the key to drive profitability in the business. The 'One-Phrase Strategy' also does not have to do anything with client mindshare, or marketing taglines, however the closer that they are aligned, the greater impact they will have throughout the organization, and when serving clients.

Mytech's One-Phrase Strategy:

"Make I.T. Easy" We intentionally mean this in two ways: 1) We want our entire team to 'Make IT Easy' for our clients, and 2) 'EaaSy' meaning Everything as a Service.

- Make IT EaaSy is how we will drive out the complexity of IT for our clients.

- The vendor partners and the respective solutions we choose to leverage will meet one or both definitions.

- Everything as a Service drives stickiness with our clients.

- To Make IT Easy AND EaaSy is difficult to execute as a whole.

- Not all clients will want EaaS.

- Solutions that are continually kept current (EaaS), and monthly recurring revenue (MRR) are what drives profitability for Mytech.

Differentiating Organizational Design

The concept here is to provide clear direction to the organization in order to fulfill our Mission, Vision and Brand Promise. These are the 3 – 5 core activities or designs that as an organization we are choosing to do. We are intentionally choosing NOT to participate in activities that fall outside of our core. These design aspects are to differentiate us from our competitor's execution. They should be synergistic when combined, result in barriers to entry for our competitors, and be derived from our One-Phrase Strategy.

Mytech Differentiating Organizational Design:

1) Maintain a Thriving Culture

2) Provide a Premium Experience

3) Invest in a Highly Skilled Team

4) Minimize Client Support Time

5) Focus our Scope of Services

These will be further defined later in this document.

X-Factor:

The concept behind the X-Factor is to find a 10x – 100x underlying advantage over your competition. The criteria used to help define an X-Factor are as follows. An X-factor should solve an industry bottleneck. An X-Factor should deliver at least a 10x competitive advantage. An X-factor executed effectively will revolutionize the marketplace, and will eventually mature and be copied.

Mytech X-Factor:

Every member of the Mytech team needs to have and continually improve their respective business and technical acumen. One of the major bottlenecks our industry faces is that very few (less than 20%) move beyond owner-led selling, owner-led technical execution, owner-led management, and overall owner-led relationships. Additionally, our primary and best decision

maker at our target clients is the owner. When an owner-led organization is engaging with an owner, the owner-led (sales, or technical, or finance or management) interaction is able to relate to business and technology challenges from a position of personal experience. Every one of our peers (even the larger ones with non-owner teams) struggles with this problem of developing team members business and technical acumen. We will solve this industry bottleneck. The Mytech X-factor will help us gain clients over our competitors and keep clients longer. Our X-factor will keep us engaged at both the business and technology level with our clients, which will help us evolve our services and solutions as our clients' needs evolve. The Mytech X-factor methodology and solution will eventually be copied by our peers.

Revenue per X - Key Economic Engine:

The concept behind Revenue per X is NOT related to the X-Factor but to identifying ONE dollar based (revenue or profit) variable that drives your organization and can quantify your growth targets as you move toward your goals.

Mytech Revenue per X:

Average $125/supported user/month (SUM). We have two primary Managed Services Consulting programs that have different revenue per SUM, however, between the two programs and pricing models, we believe the Revenue per X for Mytech is $125/SUM. It is important to note that by virtue of the SUM being an average – it requires that some of our clients will be below this average (which does NOT mean they are bad or unwanted clients) and other clients will be above this average. The Mytech Revenue per X is not the revenue target of the two primary Managed Services Consulting programs - it is the targeted AVERAGE of all Managed Services Consulting revenue.

BHAG:

Big Hairy Audacious Goal (BHAG) is a long-term target (10-25 year Goal) that provides a vision for growth and helps make decisions regarding the scale of operations for today and into the future.

Mytech BHAG:

1500 Client Companies, 500 Mytechians, 20 Pro-bono clients, 40,000 Client Supported Users (SUM). If you break this down by 10, which is the number of locations we strive to have as part of Mytech, each location amounts to on average: 150 Client Companies, 50 Mytechians, 2 Pro-bono clients, and 4000 SUM.