

Investor Response Report

**CaliberMind**

**Software PE Summit 2017 Event**

**10/17/2017**

**RVC Denver Angels Forum**

Thrive Ballpark - Denver, CO

**10/19/2017**

**RVC Boulder Angels Forum**

Holland & Hart Boulder - Boulder, CO

**10/20/2017**

Investors

Lead(s): 1

* Rockies Venture Fund I, L.P.

Follow(s): 8

* 2 (RVC Denver Angels)
* 6 (RVC Boulder Angels)

Current Funding Round

Seeking: $1,500,000

Security Type: Preferred Equity

* *Valuation:* $5M pre-money
* *Committed:* $1.2M

General Impressions

CaliberMind presented at RVC’s Software PE Summit event on Tuesday, October 17th, and they were discussed at the investor forums that followed that week. The company presented again at the October meeting of the RVC Boulder Angels on Friday, October 20th, 2017. Feedback and outstanding questions from the forums are included below.

The RVC Denver and Boulder groups saw the problem that CaliberMind is addressing as a well-defined problem in the marketplace. Data quality is poor; cleansing is needed and actionable analytics are becoming a must. It spoke well to the Boulder investors that CaliberMind has investors that are active executives from IBM and Salesforce. Several of the RVC Boulder investors added additional insight on the General Data Protection Regulation (GDPR) that will be going into effect in the EU in May 2018. It was noted that US companies that are working frequently with European clients are starting to get large budget approval for GDPR needs. One investor’s technology strategy consulting firm worked with a European company spending over $30M on GDPR preparation. Raviv Turner from CaliberMind mentioned during his pitch that CaliberMind provides users with the ability to easily capture data reports for GDPR compliance requirements.

Some of the Denver investors doubted the fundamental premise about how buying decisions are made in enterprise and mid-market companies. The argument being; most mid-market to enterprise level clients have multiple decision makers, spread across multiple departments. It was unclear to those investors how CaliberMind would aggregate buying signals across multiple contacts or how one contact’s buying signals would translate to actual decision making within the business given that so many players have a hand in the final purchase decision.

There was also discussion in the Boulder group around the psychographic component of CaliberMind. Some argued that this is not how sales happen at big companies, while others that have experience within enterprise sales teams disagreed. The latter group acknowledged that sales reps at the enterprise level are living in these customer management tools, and while the CRMs are not necessarily the level where decisions are made; they are vital tool to track and move customers towards a buying decision. If qualified information was provided to sales rep teams, it could make them much more productive - which is of significant value at the enterprise level.

A number of the Boulder investors felt that CaliberMind’s solution would be valuable at the beginning of the sales process, but as it moves along, it may be more relationship based than data driven. The data cleansing value proposition was clear to the Boulder group, but it was mentioned that the intelligence on top of the data cleansing is where the real value resides. Buying decisions are very personal, and often relationship based.

There were some questions among the Boulder investors tied to the claim of “one-click integrations” within the CaliberMind product. Principally, what span of products does CaliberMind cover with these one-click integrations? That question can be answered in the **Questions from Investors** section below.

Outstanding Questions from Investors

These are questions that were raised by the investors that require your follow-up. These questions and your answers will be added to your Gust profile on RVC's Deal List for investor review.

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| **Item** | **Question** | **Follow-up** |
| **Q1.** | What span of connectors does CaliberMind cover with one-click integrations? | The current list of connectors is available here:<https://www.calibermind.com/solutions/platform>The company keeps adding connectors based on customer requests.  |
| **Q2.** | Among current CaliberMind clients - how many are utilizing just the data cleansing component of the product (Basic Package clients) vs. the Decision Engine component (Premium Package)? Does the CaliberMind team believe that the Basic Package offering can stand on its own, or is the Premium Package offering the real differentiator from competitors to CaliberMind clients? | CaliberMind currently sells its basic data management package as an entry point to solve its customer’s data integrity problem. It’s a standalone package that beats the incumbents in the space (Informatica, SAS, Experian) on features (1-click connectors, analytics & reporting, attribution etc’), time-to-deploy (2-6wk vs. 6-12mo) ease of use (marketer-managed vs. IT dependent) and price (starting at $24K vs. >$100K). The company offers a FREE data health check via a 1-click CRM connection:<https://www.calibermind.com/data-check>to determine if the data quality is sufficient to run its AI decision engine (premium package).Currently 70% of CaliberMind’s customers are utilizing just the data management, with 30% of the more advanced/ older customers utilizing its AI decision support-engine. Part of its on-boarding and customer success process the company plans to upsell the AI decision engine to all of its customers based on their data quality readiness.  |
| **Q3.** | Once data is cleansed for a client, how is CaliberMind validating that clients will continue to see the value in paying monthly, rather than just instructing their salespeople to work harder to keep the data “clean”? | Customers are using CaliberMind to automate on-going data management tasks such as de-duping, lead-to-account-matching, segmentation etc’ not just cleansing. The dynamic nature of the data and the constant flow of new leads requires an always-on SaaS solution rather than a one-time data cleanse.  |

Key Risks

These are issues or concerns that were raised as items to verify during the due diligence process. These represent the 2-4 “hairy” issues that investors identified.

These DO NOT require your response at this time - these are simply to help you understand how the investors interpreted the key risks from your pitch.

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| --- | --- | --- |
| **Item** | **Issue/Concern** | **Description** |
| **1** | Adoption/Value Proposition | Multiple decision makers, spread across multiple departments. Making it clear that CaliberMind is tied directly to increase in conversions and buying decisions being made. Review customer interviews from lead - Newark Venture Partners. |

Next Steps

CaliberMind circled 8 Follower Investors at RVC after their October 2017 pitch and the investor forums that followed. Rockies Venture Fund I, L.P. (RVF) has already invested in CaliberMind and will be acting as the Deal Lead for RVC.

Those interested in this deal requested to review the due diligence materials that RVF can provide, along with what Newark Venture Partners, the deal lead for CaliberMind’s current round, is willing to share with the group. RVF will coordinate gathering all of those materials and make them available to the 8 interested RVC investors.

RVF will work with the CaliberMind team to find a date to hold a Deep Dive meeting for interested RVC investors to dig in deeper.

Please also follow-up on the outstanding questions included in this report and pass the report back to RVC staff so they can share it among the interested investors. If you are not yet in RVC’s Gust system, please add your company info so investors can follow along on your deal - <https://gust.com/organizations/rockies-venture-club>