Closing Keynote with Jennifer Morgan

MODERATOR: **Wilma Jordan, Founder & CEO, JEGI**

KEYNOTE: **Jennifer Morgan, President, North America, SAP**

JORDAN: Tell us how SAP differentiates itself in the market.

MORGAN: We've been around for over 40 years, and by many, we're thought of as "that German ERP company"...that's our heritage. We've helped the largest and the smallest businesses run their operations, whether HR, supply chain, financial management. We've helped customers across 25 industries solve the most complex problems.

We're proud of how we've been able to help our customers continue to leverage their core investment in SAP, while also utilizing new innovations around technology to help them create the roadmap for their future.

JORDAN: And how do you differentiate from Microsoft, IBM, Oracle, etc.?

MORGAN: Having a deep industry expertise allows us to continually innovate for our customers.

The other key is giving customers choices and understanding that customers are at different places along their technology journey. SAP can be relevant, whether they are a long-time customer or they're just starting a business.

Also, we have a broad ecosystem of partners to co-innovate on behalf of our customers.

JORDAN: The 200 largest companies in the world estimate that complexity costs them about 10% of their annual profits. Discuss "simplicity".

MORGAN: Complexity is the killer of innovation. Years of processes and bureaucracy can lead to technology that almost supports complexity.

One of the things we're really excited about is SAP High-Performance Analytic Appliance – known as SAP HANA. Business applications run on databases...as the information in the databases grows, companies typically have to increase spending on more storage space. They spend more on infrastructure than on innovation.

So HANA is the great simplifier – it's an in-memory database. To make an analogy, we used to have cassette tapes, but now all of us listen to thousands of songs on our phones at the touch of a button. So think of the enterprise as running on an iPhone.

When complexity is removed from the infrastructure, this allows customers to focus on innovation. We're excited to talk to long-time customers like Caterpillar, Dow or DuPont. They don't have to start over... HANA is the platform across all of our applications, and all of the innovation will be on top of this platform.

JORDAN: Few women are at senior level roles in technology companies. You became president of North America this past year...how has your life changed with that?

MORGAN: It's been a lot of fun. My mother-in-law recently asked, "What's the biggest thing you've learned?" It really comes down to the people... as a leader, you can be smart, you can have the best strategy, but the key is articulating that strategy and really motivating people.

> *"I say two things frequently to my organization: I value talent not title; and it's about performance not politics."*

I say two things frequently to my organization: I value talent not title; and it's about performance not politics. When you focus on people, it builds a supportive, high-performing culture.

Wilma Jordan (JEGI) and Jennifer Morgan (SAP)

People want to feel that their leader is empathetic to what's happening in the field. So you want to be in the field and understand what your customers want and what your employees are experiencing.

JORDAN: Shifting gears, let's talk a bit about acquisitions at SAP.

MORGAN: We were very much an organic growth company until seven years ago. As we continued to understand what our customers needed, we made some pretty significant acquisitions, starting with Business Objects, which is an analytics solution. We saw our customers had a lot of information and a lot of data, and we were trying to figure out how to make that data available to the business user, to the C-suite.

We're excited about the concept of the business network, where you have multiple purchasing options, such as eBay and Amazon in the consumer market. This trend is growing rapidly in the business world.

Our network, the Ariba network, has about 1.5 million customers, transacting about $600 billion in commerce. We see tremendous growth in this business network, and that's where our recent acquisitions have occurred...around travel and expense management.

JORDAN: So what's your team for M&A?

MORGAN: We have an in-house team, and our leader and CEO, Bill McDermott, is out in the market talking to customers. We just pre-announced our fourth quarter earnings, and our growth in the cloud was over 70% in Q4. So we're really excited about cloud computing as well.

JORDAN: Talk to us a bit about social...how is SAP helping companies evolve the way they work in social?

MORGAN: Companies have a tremendous amount of data in their enterprise with SAP, so how do we take all that information and marry it with social data? We are helping our customers leverage their data using HANA to very quickly and seamlessly make connections and provide better pointed marketing (e.g., targeted pricing to drive the omnichannel experience). This has been a triple-digit growth business for us.

AUDIENCE QUESTION: Every large enterprise – Oracle, Microsoft – deploys lots of different technologies. Talk for a minute about interoperability strategies.

MORGAN: We have always cherished and supported the ecosystem. Microsoft has been a strong partner of ours. We work very closely with a lot of technology companies, whether hardware or software, to determine where we want to innovate.

AUDIENCE QUESTION: With the emergence of the Internet of Things, does SAP have a view on where it's playing in that paradigm?

MORGAN: The Internet of Things is a big focus of ours, and the SAP HANA platform is key to that. We have an amazing team specifically focused on IoT. ■

Opening Keynote *(continued from page 1)*

to four registries separately to buy a gift. How does that make sense?

The wedding registry company I set up called Zola enables you to bring almost any item onto it...honeymoon, charity donations, Knicks tickets, as well as all of the usual stuff...and bring it all together in a beautiful, personalized format.

ROSE: Amazon takes heat in the market for their "inability to make a profit."

RYAN: First, I'm very bullish on Amazon. They have created an extraordinary Amazon Web Services (AWS) business that is probably worth $40-$50 billion alone.

I think Amazon is going to continue to take market share and could easily grow margins, but retail will always be a low margin business.

There will be fewer larger players, and cost is a big factor. Online retailers have lower costs than brick and mortar retailers. This past season, in-store sales will end up being negative 8%-10%. Over the next three years, a number of retail establishments will go out of business, as another $100 billion dollars comes online.

Eight years ago, people didn't buy a lot of clothing online because pictures weren't good enough, delivery took too long, returns weren't easy...all this is being solved.

Sizing has not been fully solved, but this has to happen at the brand level. In department stores, there is incentive to label something a size 6, when it's really a size 8. As online becomes more important, there will be more consistent sizing.

ROSE: If in-store retail and traditional media are dead, because they can't make the transition to digital/e-commerce, what do employees in these organizations do?

RYAN: I didn't say they were dead. I said the number of retail stores will be dramatically reduced. I think the existing large media players will almost all be here, but their businesses may be cut back a bit. Look at *The New York Times*... it's a fantastic publication, but its market cap is down 80%.

This is creative destruction and luckily, the US has a lot of companies benefiting from this evolution. We all have to take advantage of the opportunities the best we can.

AUDIENCE QUESTION: I've seen some online retailers, like Bonobos, open physical showrooms. Do you think there is going to be more of that?

RYAN: A physical store launch is a great marketing tool that gets lots of press coverage. I don't think that there is any fundamental trend of online brands opening stores. I think it makes a lot of sense for brands to open showrooms.

AUDIENCE QUESTION: I wanted to follow up on your comparing *Business Insider* to *The Wall Street Journal*. Could you compare and contrast the two revenue models?

RYAN: *Business Insider* is 90% advertising, all online. We're building the subscription business, and we have a conference business. The *Journal* has a huge subscription business and a huge advertising business, along with some ancillary businesses. We will generate $45-$50 million in revenue this year, and they'll probably do $1.6 billion, down from $2.5 billion in revenue four or five years ago.

ROSE: Roughly how many full-time editorial folks do you have at *Business Insider,* and what proportion of your content is internally generated?

RYAN: We have about 210 employees and about 110 journalists. 50% of our content is our own. We opened an office in London to cover Europe, but also to cover the United States, because it's easier to get someone to start at 9:00 AM in London than it is to get people to start at 4:00 AM in the US. ■

(from left) Anne Busquet, Principal, AMB Advisors; Charles Engros, Managing Partner, Morgan Lewis; Wilma Jordan, Founder & CEO, JEGI; and David Moore, Chairman, Xaxis

Legal Trends for 2015

Charles Engros, Managing Partner, Morgan Lewis

Activist investors have started to play a huge role in the market. Hedge funds in particular own a tremendous amount of assets and are looking to generate outsized returns. Companies should prepare a sophisticated defense and consider engaging proactively with activists. Many activists now offer impressive nominees to the Board that have significant knowledge of the industry and financial skills.

2014 was a sellers' market, and 2015 will be as well. Buyers are flush with cash and have to move quickly. As such, there are many deals where sellers continue to resist significant indemnification, which creates a gap between buyers and sellers that is increasingly being bridged by warranty insurance. We will see more of this in 2015.

DATA PROTECTION AND PRIVACY

Business owners should assume their businesses will be hacked, so they need to be prepared. Here are 10 key topics for 2015:

1. Mobile app privacy regulation. Companies must set a clear and comprehensive app privacy policy that consumers knowingly agree to. There is likely to be more regulation around this soon.

2. Data security compliance programs. The current state laws surrounding security breaches are very burdensome, but there soon may be a preemptive federal program to make legal compliance easier.

3. Security breach responses. Prepare your responses in advance.

4. Privacy by design. Privacy safeguards need to be built into software and hardware systems at the outset.

5. NIST Cybersecurity Framework. NIST framework provides standards and guidelines to promote the protection of critical infrastructure that the government relies on for best practices.

6. Economic cyber espionage. As a big focus for government, the Trade Secrets Protection Act of 2014 or similar legislation is likely to become law this year.

7. Board liability. Board directors must seriously look at security and privacy issues.

8. Insurance. Insurers provide special cyber policies, but companies without strong privacy and security programs will be rejected.

9. State regulation. California is at the forefront, and companies with customers in the state need to be aware of its legal compliance imperatives.

10. Big data. Expect to see regulation of the use of big data to make sure it's being used in accordance with consumer expectations and approval. ■

Reaching Customers in a Multi-Device World

Tolman Geffs, Co-President, JEGI *(moderator)*: Our panel covers the emergence of person-level targeting in this app/mobile-driven world. This is the ability to deliver media and advertising, while generating, measuring and linking data, including purchase history, to individuals across all of their devices. Each panelist will briefly introduce themselves and their companies…

Lynda Clarizio, President, US Media, Nielsen: We're the leading global provider of measurement across media platforms.

Rick Erwin, President, Consumer Insights & Targeting, Experian: We help our clients target and engage their best customers.

Bob Lord, CEO, AOL Platforms: We're building a programmatic or automated media platform.

Mike Sands, CEO, Signal: We help companies create a single view of their customer, connected across channels, in real-time.

Geffs: What's happening to person-level targeting in this increasingly app-driven, mobile world, and what's changed from five years ago?

Clarizio: It's a much more complex world. Marketers can now match multiple data sets with their own data. That creates a lot of complexity in the industry, and Nielsen is trying to provide the underlying foundational metrics for more granular audience segmentation.

Erwin: Five to seven years ago, person-level targeting wasn't possible online. Now, we can power a tremendous amount of targeted media and make that media more effective. Innovation has driven massive and steady improvement in our selective targeting.

Lord: Right now, everything is driven by the smartphone. The great news is, we can unlock the enormous amount of data out there through algorithms and predictive modeling.

A lot of privacy concerns prevent pure one-to-one data, but we can use predictive models to reach users wherever they are, using a context-based approach.

Sands: There is a whole world of one-to-one personalized marketing (direct mail, email) that has been around for years. What we're really talking about is the other trillion dollars of marketing spend that isn't directed on a one-to-one basis...how does that become ever more targeted to the always-on consumer?

Geffs: We now have the ability to link offline purchase data to online, mobile and digital activity, and Oracle just paid over a billion dollars for Datalogix. What's going on?

Lord: AOL has a partnership with Datalogix, and we use audience segments in a different way to go about targeting advertising. We're using algorithms and predictive segments to fine-tune our ad strategies. By crunching data and looking at patterns, we can get individual consumers to think we know them very well.

Sands: The introduction of commerce data gives you a window into past performance to predict future events. Companies like Google and Facebook substitute intention insight for commerce insight – you have to have one or the other in this new world and be able to stage that in a real-time basis.

(from left) Rick Erwin (Experian); Mike Sands (Signal); Bob Lord (AOL); Lynda Clarizio (Nielsen); and Tolman Geffs (JEGI)

Erwin: A smart data-driven marketer begins as close as he can to when the consumer parts with his money, in terms of the type of data that is driving the predictive algorithm and deciding who receives which offer.

Clarizio: Acquisition really represents a marriage of big data and big technology. In this increasingly complex world, where you can match many different data sets and bring a full set of analytics to light for marketers, it's really important that there are independent and transparent metrics for those marketers.

Companies like Google and Facebook have great data, but their business is to sell media. It's more important than ever to have transparency in the industry.

Lord: Ultimately, what brand advertisers want is a return on the investment dollar that they spend on media, period. Google and Facebook are not helping to solve that problem right now. They're putting up walled gardens.

As a brand advertiser, I have to allocate some percentage of my ad spend to Google, some to Facebook and then I have to put some into open source, because I'm not going to put money only in one place. Google and Facebook will give you, as a brand advertiser, your results, but they won't give you the transparency that I think you're warranted.

So then it's back to the agency world, and it's back to me, the brand advertiser, to stitch together what's most effective for me. In this new world of having multi-touch attribution available, through companies like AOL's Convertro or even Google's Adometry, the walled garden approach is setting the whole industry back, especially with regard to seeing the $73 billion TV marketplace shift online.

Sands: What you're seeing with Google and Facebook is that identity is the new currency, and whether you are an investor or operator, you will be hearing a lot about identity, identity resolution, connecting identities.

What Google and Facebook offer is an easy button for identity – the rest of the industry will ultimately create alternatives for that, to make it even easier, even within organizations' own walled gardens, where identities are often siloed by separate teams and/or separate budgets (e.g., email, TV, display, direct mail). You have to break that down, and it takes services and technology to do that.

Geffs: How close are we to being able to link identity and purchase history to the television ads you see?

Clarizio: Nielsen already has solutions that link TV data to purchase data in the CPG and credit card areas. Our theme in 2015 is to enable media companies to view their total audience across media platforms and enable marketers to see that from both a content and a campaign perspective. That's the way to unlock those TV dollars that Bob was talking about.

But, we need to extend the transparent metrics that make it easy to buy TV advertising and extend them across all forms of digital media. We need a referee in the ecosystem. Otherwise, the cost of analytics may outweigh the benefits of targeting.

Lord: At AOL, we call it the tech tax. For every dollar spent on TV, the buyer gets an effective rate of \$0.80-\$0.90. On digital, because there is so much complexity and chaos, that effective rate is somewhere between \$0.25-\$0.40.

Clarizio: In the television industry, Nielsen's measurement costs about 2% of advertising spend, in contrast to as much as 40% on the digital side. We need to solve that economic imbalance to create a fully transparent ecosystem that is equal across platforms. ■

Think Like a Commerce Marketer

Craig Hayman, President, eBay Enterprise

eBay Enterprise assists retailers and brands with commerce, marketing and fulfillment. One client, fashion brand Rebecca Minkoff, recently launched a store in SoHo built around digital innovation. The store's mirrors have built-in touch displays for shoppers to add items to their bag and request items to be sent to a changing room, where there are also touch displays to request different sizes. The displays can also connect with shoppers' smartphones in order to save items to a digital cart for later.

Brick and mortar retail is still very significant. The total opportunity for online and offline commerce is approximately $10 trillion, with online accounting for only $1 trillion. Therefore, it's important for retailers to enhance in-store experience to take advantage of this opportunity.

CUSTOMER ENGAGEMENT

Traditionally, there are competitive barriers around distribution. Retailers are afraid of Amazon's distribution footprint and the amount of capital it takes to build. Now retailers can come to eBay Enterprise, which runs fulfillment facilities for leading brands, and erode that competitive barrier. A brand's true competitive advantage lies in its engagement with a customer across all channels.

The CMO and CEO are championing a higher level of engagement for digital efforts. According to Gartner, the top technology investments over the next five years are in digital marketing, e-commerce and customer experience management, which is much different than five years ago.

There are at least 720 different combinations in the customer journey – all the different ways that a customer can enter and exit a commerce experience leading to a purchase. Brands are trying to understand which of those scenarios is going to generate the best return. Many times it is not a clear-cut answer, so currently marketing budgets are highly fragmented to cover all the different touch points.

DATA-DRIVEN DISPLAY AND AFFILIATE MARKETING

eBay has a lot of insight into the market, given that 25-30% of the top one million global e-commerce sites use eBay technology. Whether you're a promotion-centric retailer, or more of a margin protector, data-driven display and affiliate marketing will work for you.

During the 2014 holiday season (Nov. 1 – Dec. 31), for every $1 spent by eBay Enterprise clients on data-driven display, they received a $27 return in topline revenue. By using their data with eBay's data and targeting "active buyers", there was a 40:1 ROI in sales. It costs a little more to display to "top customers", but eBay clients saw double-digit returns here.

Clients also saw a lot of success with affiliate offers during the holiday season (keeping in mind that not all affiliates are effective in every industry so retailers need to choose the appropriate partners). Brands that used affiliate links for in-store coupons saw 19% YoY growth. Increased exposure with specific targeted affiliate partners led to a 242% lift during Thanksgiving for clients. Adding aggressive offers with affiliates on Cyber Monday saw 80+% more conversion. So this is really working.

OMNICHANNEL

One sports retail client is building physical stores to improve omnichannel. Over the holiday period, the retailer shipped 1.5 million units from their eBay fulfillment centers and 3.5 million units from physical stores.

Here's the trick: regional variances. Certain locations sell more skis, others sell more fly fishing gear. Popular regional items don't need to be stocked in the central fulfillment center if most units are shipped to a specific geography. Instead, they can be stocked in regional retail stores, enabling faster delivery for a majority of orders. Then when someone in LA orders a fly fishing rod, the local store in Minnesota can ship to that customer just as quickly as the fulfillment center in Georgia could.

CLOSING THOUGHTS

It's important to focus on customer acquisition, but even more important to focus on optimizing revenue from existing customers. Brands need to intersect with customers throughout their purchasing journey and continue to help them find the personalized items they want. ■

Financial Markets Update

Scott Peters, Co-President, JEGI *(moderator)*: Give a quick summary of what your firm's been up to and how you're looking at 2015 vs. 2014.

Davis Noell, Managing Director, Providence Equity Partners: In 2014, the markets were open in every way possible: debt markets were open for recaps; the IPO market was open; there were huge corporate mergers; and we saw big private market valuations. That'll likely continue in 2015.

We exited AutoTrader and GLM and recapped Ironman. We were also active on the new deal front. As big believers in digital disruption, we invested in wireless infrastructure companies in Africa and Indonesia and an online learning company called Vector Learning.

(from left) Scott Peters (JEGI); Deven Parekh (Insight Venture Partners); Ray Shu (GE Capital); Rick Smolen (Intralinks); and Davis Noell (Providence Equity Partners)

We did a tradeshow deal in the UK, Clarion Events. Live events have been growing nicely and in some ways are heightened by digital communication. It was a busy year, and we expect the same in 2015.

Deven Parekh, Managing Director, Insight Venture Partners: We invested $2 billion last year across 30 transactions, which is the largest number of deals we've completed in one year.

We are a growth equity and buyout investor focused on software and Internet companies. For the first time, we sold to other financial investors. As the software industry matures, the revenue models are more attractive to lenders and financial exits are possible.

We're interested in the migration from traditional application software to cloud-based software. We focus on vertical applications, such as DrillingInfo in oil and gas and Appriss in government data. Also, we like companies that own data, layer smart analytics on top and deliver it as a cloud-based application.

Another focus area is next generation marketing software – using the data that consumers and enterprises post on social media to effectively target customers and provide better customer service.

Third, as the world moves to a cloud-based infrastructure, there is a new set of companies that deal with backend migration, such as Skytap in cloud software testing.

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Emerging Tech Trends for 2015

Andrew Zimmerman, President, frog

frog has a strong track record of predicting trends, due to the company's design and innovation work and its focus on advancing the human experience. Here are a few trends to highlight:

4D Printing: This is an idea from the MIT Self-Assembly Lab that's demonstrated by an object that can change shape after being printed. In one example, MIT partnered with Stratasys to develop a flat tube that folds into a cube when placed in water, showing how non-electronic objects can be dynamic and adaptive. In the future, this technology can bring robotic qualities to objects we think of today as static and unchanging.

3D Printing: In the nearer term, 3D printing will become more prevalent for consumers with wirelessly connected digital interfaces. When printers are accompanied by online ecosystems, people can print their designs out at home or sell them online for others to print.

When you look at it from a marketing perspective, it's a huge opportunity. For product launches, brands can test hundreds of different products and gauge which ones are most successful. It will also revolutionize entertainment and education by bringing a new level of personal modification to the masses.

Agriculture: Agriculture is the oldest industry in the world and one of the least touched by technology. By 2050, we will need 70% more food than is produced today because of population growth. Due to display and perishable products, 30% of food is wasted at retail. frog is working on an internal project, through the R&D platform frogLabs™, to redesign the experience in retail stores to reduce waste.

Sensors Improve Experiences: Launched in spring of 2014, the Disney MagicBand provides Disney World customers with a personalized, sensor-enabled wristband that allows the wearer to interact with the park in new ways. The MagicBand links to the guest's ride selection and meal choices, and can act as a resort key, payment method and park ticket in one. This initiative has increased the flow through the park by 3,000 people at peak times, increased revenue per customer and enriched customer satisfaction with magical moments, such as Snow White saying "Hello, Susie, happy birthday" to your daughter.

By this time next year, the Disney MagicBand will be the most popular wearable, used by more people than Fitbit and Jawbone combined. The sensor and supporting software deliver a wide range of personalized services, which can benefit many venues in the future, including retail, healthcare, hospitality and leisure.

Chinese Pollution Mask: With concern growing over poor air quality in Chinese cities, frog's Shanghai studio created AirWaves, a pollution mask embedded with sensors to filter and measure real-time air quality. The data is fed into a smartphone app and shared with others, becoming a platform for building community trust and awareness. This data can be used for many applications, such as avoiding areas of high pollution when determining where to book a restaurant.

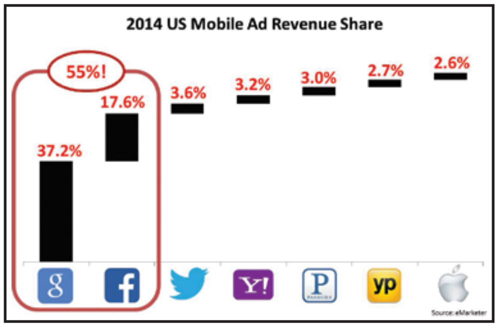
Final Thoughts: In thinking about marketing and reaching the customer, remember to place the human experience first. In order to create the desired connection between a person and a product or service, you must understand the customer journey and design experiences around it. At frog, business and societal value are consistently created by this human-centric approach. ■

JEGI Sector Insights: *Transforming the*

TOLMAN GEFFS: WEB GIVING WAY TO MOBILE APPS

Time and attention have shifted to mobile devices in a big way. Mobile usage dwarfs that of PCs, and Flurry estimates that 87% of the time people spend on mobile devices are in apps. There are big differences between apps and the Web – apps are secure, spam-free walled castles without links and the free flow of data that exists on the Web.

A few gatekeepers dominate this new mobile world: Google and Apple own mobile app distribution, and Google and Facebook accounted for 55% of mobile advertising in 2014.



The ability to reach people across all devices is increasing. Marketers and publishers can now measure content and advertising by individual user across screens and link that to identity and purchases, kicking off a wave of M&A and investment: for example, Oracle buying Datalogix; Acxiom's acquisition of LiveRamp; and AOL's purchase of Convertro.

To do this cross-device marketing, it helps if you have cross-device user registration data. And who has that? Facebook and Google – at massive scale. So we're back to an emerging duopoly – two companies dominant in managing advertising and now two companies dominant behind the scenes in measuring that advertising.

Marketers can do a lot more than they could five years ago. There's a much richer opportunity set for investment, especially as cross-device attribution and media delivery moves to TV. We're pretty excited about the opportunities for publishers, marketers, marketing services companies and technology providers.

AMIR AKHAVAN: MACHINE INTELLIGENCE

We are hearing a lot about artificial intelligence (AI). It's about delivering deeper analytics and scaling human insight, as we move beyond predictive analytics to algorithmic intelligence. Computers are starting to understand patterns, can be trained to get smarter, and act on an automated or semi-automated basis to deliver more value and increase efficiencies.

Machine intelligence is the ultimate test of automation, delivering high accuracy through manual training and pattern recognition. A lot of industries are impacted, from HR to marketing to legal. In marketing, companies like Avention have trigger-based alerts that tell salespeople when to contact individuals and provide additional intelligence to make the sale. In media, companies like Outbrain have personal recommendation tools that fine-tune media consumption patterns. In legal, Ravel Law can associate case law usage over time to help create massive efficiency in the research process.

Given the value being created, we expect heavy M&A activity – we've seen a lot already. Salesforce bought Relate IQ, which automatically updates contact records with relevant customer and prospect information. LinkedIn acquired Newsle, which cuts through the noise in social to deliver relevant key contact information. And JEGI represented Distimo, which delivers insights around the lifetime value of a customer in the mobile ecosystem, in its sale to App Annie.

Investors and operators should think about adding different types of intelligence or partnering with folks that can drive enterprise value that they can hopefully monetize later.

SAM BARTHELME: INDUSTRY CLOUD

In 2000, the initial wave of cloud applications was horizontal-based: Salesforce with CRM, Workday with HR, etc. However, customizing horizontal apps is very difficult and costly for a company within a specific industry. A large auto dealer can't allocate the resources necessary to build a vertically-focused solution on top of Salesforce; instead, there are now providers who create and sell solutions across markets.

Industry-focused solutions enable more meaningful usage of available data. There are out-of-the-box insights and solutions that evolve with the market. Also, vertical platforms are usually single-instance multi-tenant – a large auto dealer will adopt the technology and then so will their clients and suppliers, thereby enhancing data efficiency within the market. First movers can actually take an outsized share and grow very quickly.

One example is Veeva Systems launching Veeva CRM, built on top of Force.com, accelerating the company's market entry and rapid adoption across Fortune 500 pharma clients. Then, they rolled out Veeva Vault, a document management system, and Veeva Network, for customer record information, doubling the size of their addressable market; they have surrounded their clients with a lot of solutions.

Big, complex and heavily regulated markets are the key targets to go after in terms of vertical SaaS, such as MyWebGrocer in the grocery retail space. There are still many opportunities for leaders in other verticals.

SCOTT PETERS: CORPORATE EVENTS

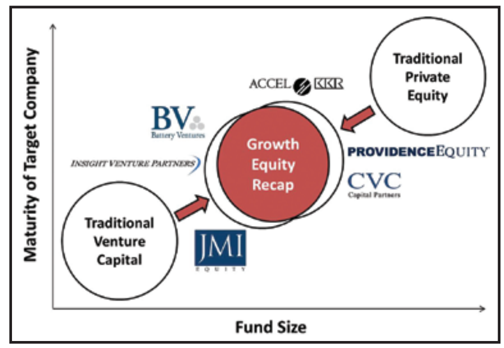
According to PwC, the meetings and events market in the US is a $280 billion industry. $130 billion lies in travel and hospitality, but $150 billion is in event execution. In the US, only 39% of event attendees go to tradeshows and conferences, whereas 61% attend corporate meetings and events.

Much of the historical spend in the corporate meetings and events industry has been below the line, or in-house, but a shift to external providers is underway, and the market is wide open and very fragmented.

With the rise of data and analytics, CMOs have access to good information around channel attribution – to track their spending and measure ROI. This is pulling all of the marketing and advertising initiatives into a central budget and creating a huge opportunity.

Currently, the corporate meetings space has vertical solutions: creative and strategy, mobile event apps, AV, promotions, registration, travel and housing, event management, etc. Someone will create a category killer – a full-service agency that puts these disciplines in one solution with data and analytics, helping CMOs manage their overall events budget at scale. Consolidation will likely be led by private equity and then sold upstream into large strategic companies.

JEFF BECKER: CONVERGENCE OF CAPITAL



The emergence of the growth equity recap has started to change the financial buyer landscape. In the past, later stage companies often found themselves without the capital to continue growing – their venture investors were tapped out and PE investors weren't interested. Historically, VC funds were too small to support control stakes in successful companies, and it wasn't part of their strategy.

Lately, growth equity recaps have stepped into this gap. Some successful VC funds have raised billion dollar funds to look at control deals, while PE firms have launched new funds targeted at growth opportunities in tech. The growth equity recap enables existing investors and/or founders to cash out and creates a longer runway for tech companies, while bringing in new investors that are better aligned with management's long-term goals. ■

Financial Markets Update *(continued from page 5)*

Ray Shu, Senior Managing Director & Media Team Leader, GE Capital: We have a $5 billion portfolio in the TMT industry, and 70% of our deal flow comes through PE sponsors. In traditional media, we're continuing to see consolidation, like Advanstar and GLM, and strategic investors are active again. In technology, we see growth in pure software, tech-enabled business services and information companies.

Peters: Rick, what do you see in M&A activity heading into 2015?

Rick Smolen, VP, Strategic Transactions, Intralinks: We have seen a spike in Q2 during the last three years. It takes about six months between the initiation of due diligence and deal announcement, so starting the process in Q2 should get the deal done by year-end. For the first half of 2015, we're projecting a 12% increase in deal volume vs. 1H 2014.

Peters: Now to the fun part, the regulatory environment.

Shu: The premise of the leverage lending guidelines is to have borrowers repay a substantial portion of debt inside the life of the loan, which dampens the total amount of leverage available and impacts valuations.

Parekh: There are a lot of obligations associated with being SEC-registered, from information disclosed to internal processes. It takes a lot of time, but it's just a cost of doing business.

Noell: With the new regulations, we are seeing unregulated lenders coming into the market and trying to skirt around some of the policies. We are still getting our footing in terms of how new regulations will impact big LBOs.

Peters: Where are we, from a debt standpoint?

Shu: From a leverage standpoint, we're back to 2007 levels, when senior debt reached 5x and total leverage hit 7x+, depending on the industry.

There's a tremendous amount of liquidity in the market. At the peak in 2006, the CLO market raised $97 billion; last year was close, at $83 billion. Also during 2014, the industry printed $124 billion. So we are 50% higher than 2013, and about a third higher than the 2006 peak.

Peters: Rick, where is deal activity occurring?

Smolen: Financial services, manufacturing, professional and business services have been active sectors for the past couple of years, but the highest growth sectors last year were telecom, media, entertainment, consumer and technology.

The hottest geographies are the developed markets – North America and Europe. There's not as much activity happening in developing areas; the Latin American market was down in 2014 vs. 2013. ■

Marketing & Sales Tech: *Demand Generation Engines that Drive Results*

Amir Akhavan, Managing Director, JEGI *(moderator)*: Our panel is focused on the importance of data combined with marketing technology in order to drive sales results.

Omer Artun, Founder & CEO, AgilOne: We offer predictive marketing solutions for marketers in a SaaS platform.

Neil Capel, Founder & CEO, Sailthru: We personalize websites and email, through to the mobile and app experience.

André Lejeune, Chairman & CEO, Selligent: We help brands engage with their clients, with an omnichannel audience engagement platform.

Dale Renner, Founder & CEO, RedPoint Global: We have two primary offerings, one is around campaign management and the other is around data management.

Akhavan: Please share your thoughts on personalization, data and strategy execution.

Capel: You have to tailor your communication to be relevant in today's environment. If you're competing with Amazon, you have to build an interest profile on every single user, communicating with them on a one-to-one basis across all channels.

Renner: We see the world as very data-driven. A lot of providers think first about content. We don't see any practical way to do true cross-channel campaign management, unless you control and manage your data. The explosion of data and the proliferation of channels has built latency, the enemy of relevance, into the process. Bringing this all together with immediacy comes from the data – the heart and soul of business.

Lejeune: Indeed, data is important. At Selligent, we believe execution is more important, and we try to make sure that we can, in real-time, orchestrate a relevant dialogue. We have been using data for years, but now we also try to create a personalized dialogue, starting with the first anonymous visit to a landing page.

Once we get the visitor to identify himself or herself, we can start aggregating all the available data, including social, demographic, psychographic and transactional, in a smart way. It's all about execution.

Artun: Marketers have been hearing about personalized, one-to-one marketing for 20 years. Now, they are using technology to move away from a marketing, merchandising and channel focus to a focus on each customer.

The execution and data have to come together in a coherent strategy. There are lots of tools out there with overlapping capabilities, but personalized marketing strategy is still very nascent.

Capel: Marketers are beginning to understand what they need to be doing. Cutting edge marketers understand that they can give up the reins to an algorithm to conduct the decisioning, because a human can't make the same kind of decisions on a single user basis.

(from left) Amir Akhavan (JEGI); Dale Renner (RedPoint Global); André Lejeune (Selligent); Omer Artun (AgilOne); and Neil Capel (Sailthru)

Renner: One-to-one marketing has to be algorithm-driven, because it's not possible for any one human to derive the necessary insights.

Based on those insights, you take action; that's the execution, which gives us more data to feed back into the data engine, giving us better insights, better analytics, better algorithms. We're agreed on the need for personalization and understanding your data – the challenge is, how do you make it work?

Akhavan: You are all working with agencies and marketers. Over the long-term, are your businesses going to be good or bad for the agencies?

Artun: Good, but I haven't seen any agency that actually understands the concept of a customer, their journey and their life cycle, and then adopts this concept. The 10 or 15 agencies I have talked to are very advertising-focused and really don't understand this concept, but I think they'll get there.

Lejeune: The reality is that you need the agency that understands direct marketing and data. Medium-sized agencies who understand direct marketing can be very efficient in building programs using the marketing technology stack. That's our experience, at least.

Renner: Agencies can actually play a very important role here, helping companies craft and implement strategy and think about how you measure performance and results. Someone has to provide the link between their strategy and what our software can do.

Akhavan: How are you thinking about executing in mobile and the solutions that you've got for clients in the market?

Artun: Marketers want to understand behavior on mobile, within the context of the full customer engagement, and then measure it in relation to what they do elsewhere.

Capel: Mobile is not about the device being mobile, it's about the fact that it's a smart screen. No easy navigation point, no mouse, no keyboard – so, it better be relevant to me and very fast. The mediums don't actually matter – it's about tailoring the experience to the consumer every single time, because that's how you win in this environment.

Renner: I couldn't agree more. You can't even generalize about mobile, because Fitbit and Auto Zone, for example, have totally different mobile strategies, based on the experience that each is trying to deliver. The mobile phone is nothing more than the Internet in your pocket. It's about being able to collect all of that and use the data to drive the best, most relevant offer.

Akhavan: How are you thinking about machine intelligence in your business, and how can people apply it to their platforms?

Renner: Companies are dumping primary data (their cleanest data) and third-party data (the dirtiest data) into a "data lake". And, because they're using the data to drive their analytics, marketing and communications, they have to figure out how to bring all that dark data together, cleanse it, and use it to optimize an interaction, whether locally (e.g., across a channel) or globally (i.e., across all touch points).

So, we're doing algorithmic analytics, because there's so much data and we're trying to get to a market of one and be the most relevant to that person, and we have to do it all at speed. ■

(from left) Ray Shu (GE Capital); Wilma Jordan (JEGI); Jennifer Morgan (SAP); Ken Wasch (SIIA); and Meredith Flynn-Ripley (HeyWire)

Transforming the Consumer Experience through Mobile

Joseph Sanborn, Managing Director & Co-Head of Technology Banking *(moderator)*: Our panel is focused on the transformation in mobile. Eight years ago there was no iPhone. Apps weren't born until June 2007. The first Android phone arrived in late 2008. So a lot has changed.

Meredith Flynn-Ripley, CEO, HeyWire: We're a mobile cloud-messaging platform exclusively for businesses. It's a mobile-first world from the consumer perspective, and businesses are still playing catch-up.

Today, there is no way for consumers to text businesses, and 60% of consumers want to text with the companies they do business with. HeyWire creates live text conversations with contact centers.

Jim Greenwell, President & CEO, Danal: We are focused on solving issues around mobile, such as mobile payments and identity management, or authenticating users. It's about making life easier for the consumer, as they move to mobile.

We have worked with PayPal, the Google App Store, Facebook, etc., and we have a number of financial institutions that we're deploying with over the next six months.

Ty Rollin,CTO, Mobiquity: We're a mobile professional services firm focused on three key areas: 1) enterprises should turn to mobile to run their businesses; 2) mobile is more than the device – there's a broad tech stack that includes cloud, big data, analytics, and user experience; and 3) mobile is defined by the end user.

Ben West, Co-Founder, Eventbase: We create event apps and technology. When we started with the 2010 Olympics, we were viewed as a digital replacement to the printed guide.

We've come to represent the always-on umbilical cord before, during and after events. We help people discover content and allow them to network in a meaningful way.

Sanborn: When we think about transforming the consumer experience, we think about what consumers want. How are consumers reacting?

Rollin: There are four areas in the enterprise that have been good lessons learned with mobility: 1) a lot of companies looked at mobile as being an extension of the web. Mobile has its own DNA and needs to be cultured accordingly; 2) there are companies with beautiful websites trying to port them to their mobile apps. If the apps aren't useful, they will lose engagement; 3) businesses need to move forward now, even if a CIO is concerned about a company's architecture; and 4) start with analytics so you know what happens downstream.

West: When we first started, our customers required convincing that they needed an app. Now there are savvy customers at the events we service, and they want the rich experience of a mobile device. Our adoption is usually over 100% for the events that we service, including people that didn't attend.

Sanborn: Meredith, you receive customer feedback. Can you share insight on this new modality of communicating?

Flynn-Ripley: It's not a new modality from an employee perspective. Over 70% of business professionals are texting for business, and a third of employees have closed a deal via text messaging. But, it's happening off the record from a corporate perspective. Also, employees are looking to separate personal and business communications, so it's a win-win.

We see inside sales teams closing deals 33% faster, and it's integrated into businesses' CRM systems. Customer satisfaction has increased dramatically – we're seeing a 7x ROI on a limited scale.

Sanborn: Apple Pay's announcement has changed the payment space. How are you seeing the sector evolve?

(from left) Ben West (Eventbase); Joseph Sanborn (JEGI); Meredith Flynn-Ripley (HeyWire); Jim Greenwell (Danal); and Ty Rollin (Mobiquity)

Greenwell: Mobile payments is not new...there is Google Pay, and the carriers banded together to create Isis, which became Softcard, then was acquired and shut down by Google. Apple came in and legitimized the space seemingly overnight. They focused on some hot topics, including security, and they have all of our information already, like credit card data.

Rollin: Also, Apple users spend a larger amount of money compared to Android users, about 12 to 1.

Sanborn: Let's shift to organizations – how can they be better prepared to use mobile?

West: Consumers move a lot quicker than businesses, so companies need to involve customers in the development process to figure out what works and what doesn't.

Facebook ships a new version of its app every two weeks, and it provides multiple versions of the app to conduct extensive A-B testing to gauge which interfaces, nomenclature, etc. are most successful.

Rollin: It comes down to the app store review cycle and how quickly enterprises can respond to consumers' comments on the app. Businesses are implementing product teams to look at customer sentiment. When you bring marketing perspectives and user experience perspectives together, you enter the world of continuous delivery.

Sanborn: So internal processes are being altered to meet the expectations of consumers?

Rollin: Absolutely. And employees are consumers too. When they go home, they have a better experience with better tools, than at the office. They're going to look for their company to make quicker changes.

Sanborn: As we look out 12-24 months, what will be the big disruptions?

West: Wearables is going to be big. We expect Apple to have a watch out in March, which should greatly increase wearables. It will also drive adoption of iBeacons, because the watch will be Bluetooth enabled to pair with those devices.

Rollin: Payments is going to be huge. I think this is the year enterprise will enable employees to be more efficient and streamlined in interaction. Personas will also be interesting, where consumers and employees have different digital identities and information they're willing to share.

Greenwell: I heard a quote recently from the head of the NSA that there are two groups – those who know they've been hacked and those who don't know. Cyber security is a huge space, and as we become more reliant on mobility, it's going to increase exposure and scare business owners.

Flynn-Ripley: Privacy and security are critical as mobile becomes more established as a channel. Mobile will move from the CIO to a cross-functional team. Companies need to have a mobile messaging savvy team or they risk coming across as inauthentic. ■

Insights from the JEGI Connected Conference

JEGI hosted its first Connected Conference, along with partner Strategy& and sponsors Davis & Gilbert and GE Capital, on November 6, 2014, in San Francisco. The Internet of Things (IoT) is enhancing connectivity across a wide array of devices and markets, affecting both the B2B and B2C sectors. This year's Conference focused on "Data-Driven Disruptive Innovation", exploring how companies are using vast amounts of data and innovative technology to transform and grow, while disrupting their industries. The event featured an A-list line-up of speakers and an audience of C-level executives and investors from across the technology, marketing and media sectors for a half-day program of timely topics and networking.

(from left) Wilma Jordan, Founder & CEO, JEGI; Frank Burkitt, Senior Executive Advisor, Strategy&; and Brad Surak, General Manager of Industrial Internet Programs, GE Software

INDUSTRIAL INTERNET

GE Software is leading much of the disruption and innovation in industrial Internet programs. Brad Surak, General Manager of Industrial Internet Programs, kicked off the program describing GE's initiatives in this space. GE has built a platform centered on IoT, big data and analytics that is optimized for talking to sensor networks and control systems on machines, and has modern cloud-based big data analytics capabilities, so that developers can build applications on top of the platform. There are value creation opportunities by monitoring all of the machines as connected systems instead of individual assets that need to be managed and maintained.

For example, GE now uses sensors on railroad tracks to monitor speed and fluctuations in the train wheels to analyze breaks in the tracks to determine when maintenance is needed. Further, using predictive analytics, they can forecast when tracks will need to be repaired in the future. They can also use speed and throttle tracking to optimize fuel usage.

The technology is invaluable for the overall business model of GE. Creating a 1% improvement in freight utilization on the railroads has big dollar benefits for customers, so the opportunity to use Internet-enabled devices and predictive analytics is really changing the culture of the company.

ENABLING TECHNOLOGIES

Ayla Networks and Heroku develop open cloud platforms that enable manufacturers and developers to build applications on top of their platforms, eliminating the need for clients to build networks, communications, security, etc. However, this requires a big cultural shift for many companies that are used to building their own systems, so it is important to keep the processes simple.

(from left) Dave Friedman, Co-Founder & CEO, Ayla Networks and Tod Nielsen, CEO, Heroku

Since it is still early days in IoT, many companies are starting to enable one line of business with IoT to solve a specific problem, and then are looking to roll out division by division. For example, Pitney Bowes was looking to service their machines more proactively, so Heroku enabled a platform to collect data on their devices, analyze the data, and learn to predict when ink is running low, batteries need to be replaced, or other services were needed.

Certain industries are not able to run on an open system for security reasons, such as commercial fire and safety command and control systems. However, Ayla can help them make use of sensors to gather information, such as where is the nearest fire hydrant to the fire call.

CONNECTED HOME AND ENTERPRISE

Broadcom leverages the baseline of technology that is already established within the home – almost every home in developed countries has Wi-Fi and a smartphone with Bluetooth. Extending this connectivity to other devices within the home in a simple and non-evasive way can provide new consumer experiences.

(from left) Brian Bedrosian, Head of Embedded Wireless, Broadcom; Chris Allen, Founder & CEO, iDevices; and Joe Costello, Chairman & CEO, Enlighted

iDevices is working with Apple on the HomeKit, developing an ecosystem for connected accessories within the home that is easy to use straight out of the box. Enlighted installs smart sensors in office buildings to collect data to create energy efficiency with lighting, heating, and more.

Executives from these companies agree that the key value driver for connected platforms in the home and enterprise is the ability to access the data from these systems to improve the experience in future versions or through upgrades.

Ease of use is also important in creating customer satisfaction in both the connected home and enterprise environments. Customers will benefit from a single point solution, and open systems with standards-based elements will allow enhancements to be built upon the existing platforms.

There will be several cycles of evolution before the connected home and enterprise can reach full potential. Creating wireless standards will take some time as competitors continue to battle it out in the marketplace. Also, consumers may need more time to understand the value-add of IoT, before they are able to justify purchasing new big ticket items like refrigerators that are IoT-enabled.

In commercial settings, companies will be slow to implement the new connected systems. Even if they are guaranteed savings in the long run, it's a big decision that will be handled cautiously. Regardless, the environments we live and work in are becoming more connected every day.

(from left) Peter Marx, Chief Innovation Technology Officer, City of Los Angeles; Dr. Amine Haoui, Co-Founder & CEO, Sensys Networks; and Jay Giraud, Founder & CEO, Mojio

CONNECTED CITY

Some cities are already quite connected, but there is still a long way to go. Sensys Networks develops wireless sensors with a 10-year battery life that are embedded in the pavement and collect data on traffic conditions for vehicles, bicycles, light rail systems, and then transmit the data to a central traffic management system.

Los Angeles has already deployed traffic management sensors and connected parking meters, but that is just the beginning of how IoT can transform cities.

Mojio develops a GPS device that plugs into your car to collect data on vehicle diagnostics. Several car manufacturers are working on "self-driving" cars, but it will take many years until they are widespread, mainly due to the long lifespan of cars and the infrastructure and policies that need to be implemented first.

Mojio has an open platform for connecting cars to the Internet via mobile apps, so developers can build apps that use this real-time data to create interesting offerings for consumers for things like rental cars, insurance, roadside assistance, gamification, and more.

Imagine a world where cars are autonomous and data from all cars/drivers is collected – speed, braking, windshield wiper data – so you can determine how slippery the road is based on the velocity of the cars' windshield wipers, or how dangerous a traffic route is based on the number of drivers speeding. This can alert your car to take a new route. Or insurance companies can evaluate drivers based on their aggregate data. The applications are endless.

The biggest limitations are privacy and data security. Governments are not comfortable with outsourcing the collection and analysis of individuals' data or using open platforms that are vulnerable to hackers. This hinders the private sector from monetizing platforms for the connected city. Also, there is tension between how much privacy people are willing to give up for convenience and improved safety.

CONNECTED RETAIL

The retail market has benefited from the interconnectivity between products, places and people through the use of tags, sensors and other connected technologies.

Brick and mortar stores are challenged by consumers with smartphones researching products and prices while in-store. Tyco Ventures sees the opportunity to be a knowledgeable partner for companies to bring them to a platform to aggregate data, improve store operations and drive revenues and margins from the same stores they have today. This liberates them from the need to open new stores, while providing integrated solutions to increase customer intimacy.

Retailers can use location-based marketing to enable couponing solutions, video pop-ups, and other offerings, as well as NFC-based product displays to enhance in-store engagement, which in turn drives ROI. Adidas embeds NFC in shoes and apparel, enabling consumers to tap the product and engage with the brand. This provides a consistent story through all channels, and Adidas does not have to rely on salesclerks to inform customers.

In another example, Thinaire developed a pilot program with Kraft in Safeway grocery stores with NFC on a cookie display, enabling customers to download an app, view a recipe, and share with a friend. 34% of people that engaged with the display actually did something, compared with Kraft's standard of 2%.

Brands are able to interact with consumers through multiple digital channels using numerous types of technologies (NFC, QR codes, beacons, etc.), and funnel this data back into their CRM systems and loyalty programs to enhance the lifetime value of a consumer. Brands are creating experiences beyond the purchase, to provide value beyond the product via additional benefits and experiences. Most brands are still in pilot phases for connected retail initiatives.

Another trend in connected retail is better inventory tracking, using RFID and sensors to develop more accurate real-time inventory systems. In an omnichannel retail world, merchants must be able to fulfill orders in an efficient manner. These technologies increase accuracy in inventory and reduce out-of-stock products, driving sales increases.

(from left) Jon Werner, Innovation Explorer, Adidas; Patrick Meyer, CMO, Thinaire; and Robert Locke, VP & Managing Director, Tyco Ventures

QUANTIFIED SELF

Jawbone develops wearable devices focused on the experiences that users can enable around health, wellness and open data. The Jawbone UP system is all about helping people know themselves and live better. This system helps users understand their activity throughout the

Insights from the JEGI Connected Conference *(continued from page 11)*

Andrew Rosenthal, Group Manager, Wellness + Platform, Jawbone

day, the quality of their sleep, and the types of food they eat and how that balances out against nutritional goals.

With a product that is on the body all day, every day, it's a powerful tool. For example, if you connect your Jawbone UP to your Nest thermostat, the temperature will decrease when you go to bed and rise when you wake up.

Wearables can also become a physical facility that can replace a badge or serve as a payment method. With this access, developers can start to add new features on top of the app and offer a lot of additional value.

In an enterprise setting, companies have connected employees' Jawbone UPs to their Salesforce dashboards to understand the efficacy of workers' sleep compared to their sales closing rates. And this is just the beginning.

INVESTING IN THE CONNECTED ECOSYSTEM

Voyager Capital invests early in a company's life cycle. They look for capital efficiency and high ROI, and they tend to focus on software. Voyager has invested in cloud platform Ayla Networks, as well as traffic management sensor and analytics firm Sensys Networks.

Vista Equity Partners invests later in the growth cycle of a company. The firm focuses on enterprise software, specifically companies that are deep in one vertical, be it trucking or sports or healthcare. They are very interested in companies with a convergence of software and data and recurring revenue models. For example, they invested in STATS, a provider of sports data and analytics, and they recently acquired an Israeli company for their camera technology to use for data collection at sports games.

(from left) Mark Bernier, Senior Managing Director, TMT, GE Capital; Christian Sowul, Principal, Vista Equity Partners; and Curtis Feeny, Managing Director, Voyager Capital

GE Capital has a $5 billion portfolio of senior debt commitments in telecom, media and technology companies. They made a strategic decision 4-5 years ago to focus more on the emerging sectors in telecom and digital media, such as data centers and hosting companies, and in the last year, on M2M (machine-to-machine) and telematics. They recently financed ABRY Partners in its acquisition of KORE Telematics. GE is interested in recurring, subscription-based revenue streams with high cash flows and is uniquely positioned to leverage the knowledge of their parent company in the industrial software business.

Seed funding and Series A rounds are at reasonable valuations in the technology sector, but Series B and C investments, as well as acquisitions, are quite frothy. Due to the huge amount of capital on the balance sheets of tech companies, as well as their need to buy growth to keep up with the fast-paced market, valuations will remain high for the foreseeable future.

There have been several large trades in the IoT space, such as Google acquiring Nest Labs for $3.2 billion and Dropcam for $555 million and Samsung acquiring SmartThings for $200 million. These businesses still have a lot of growth potential and are low risk business models, so large tech companies are willing to spend more to acquire these companies.

Also, the lines are blurring between venture capital and private equity – PE is investing further downstream to earlier stage deals, while VC is going upstream to later stage deals. There is a lot of money out there, so this dynamic won't change anytime soon.

PRIVACY AND DATA SECURITY FROM A LEGAL PERSPECTIVE

Richard Eisert, Partner, Davis & Gilbert LLP

Since we are in the early days of IoT, the FTC has not yet published guidance on what disclosures are needed, but at this point, the more disclosure and affirmative consumer consent, the better. When OnStar came on the scene gathering data from automobiles years ago, the FTC hadn't yet formulated the key privacy principles of notice, choice and access. Now that privacy is a key focus for consumers, the FTC principles continue to evolve, as new technologies and offerings arise. It is important for companies to be transparent and to think about customer expectations.

The FTC realizes that not all connected devices are ideally suited for proper disclosures, so it is important for companies to limit the amount of data they are gathering and anonymize the data, something called privacy by design. When Google acquired Nest, there was a lot of controversy around data sharing. Nest decided to use an opt-in model so there was affirmative consumer consent obtained before they shared any data. These are the types of precautions that companies need to take, while we wait for definitive regulations. ■

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The Jordan, Edmiston Group, Inc.

JEGI Ranked #1 by Bloomberg for U.S. Media, Marketing and Internet M&A Transactions

Bloomberg M&A League Tables, 2010-2014

TOP ADVISORS SERVING THE US MEDIA, MARKETING AND INTERNET SECTORS*

2013-2014 (2-Year)			2010-2014 (5-Year)		
Rank	Advisor	# Deals	Rank	Advisor	# Deals
1	**Jordan Edmiston Group**	29	1	**Jordan Edmiston Group**	70
2	Petsky Prunier	27	2	Petsky Prunier	57
3	JP Morgan	20	3	Goldman Sachs & Co	42
4	Moelis & Co	19	4	Morgan Stanley	41
5	Morgan Stanley	18	5	Bank of America Merrill Lynch	38
6	Goldman Sachs	15	6	RBC Capital Markets	34
6	RBC Capital Markets	15	7	GCA Savvian	33
8	Bank of America Merrill Lynch	13	8	JP Morgan	32
9	Evercore Partners	12	9	Evercore Partners	26
10	Houlihan Lokey	11	9	Barclays	26

* RANKINGS BY NUMBER OF DEALS COMPLETED.

ecVision
a cloud-based provider of global sourcing and collaborative supply chain software solutions
has been sold
to
Amber Road
POWERING GLOBAL TRADE
March 2015

Mobile Motion, LLC
founder of
MOBILE MEDIA SUMMIT
thought leadership forums for brands, agencies and mobile leaders
has been sold
to
comexposium
The place to be
February 2015

SUMMIT Professional Networks
Insurance • Financial • Legal
a leading information and marketing platform serving the insurance, financial and legal markets
has been sold
to
ALM
Insights. Innovation. Connected.
January 2015

Iron Solutions
a leading software and data provider to the agriculture market
has been sold
to
Trimble
November 2014

MarketCast
a leading provider of entertainment marketing insights and analytics
and a portfolio company of
SHAMROCK
CAPITAL ADVISORS
has been sold
to
RLJ Equity Partners
November 2014

ONPEAK
a leading event housing software and services provider
has been sold
to
GES Global Experience Specialists
a subsidiary of
VIAD
October 2014

TRAVEL PLANNERS
a leading event housing software and services provider
has been sold
to
GES Global Experience Specialists
a subsidiary of
VIAD
October 2014

RTM PRODUCTIONS, INC.
a television and digital content production, distribution and marketing platform specializing in automotive tech programming
has been sold
to
RAYCOM Media
October 2014

Covenant Review
a leading independent provider of proprietary financial research and analytics
has received
a control equity investment
from
LEEDS Equity Partners
August 2014

SUMMIT Professional Networks
Insurance • Financial • Legal
has sold
The Investing in African Mining Indaba
to
Euromoney Institutional Investor PLC
July 2014

HERFF JONES NYSTROM
has sold
certain assets of its school business
to
Social Studies School Service
July 2014

RKG
a leading tech-enabled search and digital marketing agency
has been sold
to
MERKLE
July 2014

DISTIMO
a leading mobile app market intelligence and analytics provider
has been sold
to
App Annie
May 2014

has sold a majority stake
to
TINICUM
The undersigned provided a fairness opinion to the special committee of the Board of Directors of F+W Media, Inc.
The Jordan Edmiston Group, Inc.
May 2014

WOMEN'S MARKETING INC
WMI
the leader in media strategy, planning and buying for emerging brands targeting women
and a portfolio company of
HALYARD CAPITAL
and
Steelpoint Capital Partners LP
has been sold
to
PNC RIVERARCH CAPITAL
February 2014

JEGI'S CLIENT IS MENTIONED FIRST IN EACH OF THE ABOVE TRANSACTIONS.