

# Business Services Overview

Baird Venture Partners leverages its in-depth sector knowledge, experienced investment team, network of relationships and the global Baird platform to serve as a value-added partner to its portfolio companies. Our investment approach in the Business Services sector is based on the following key components:

- Target industry-specific, technology-enabled service businesses with recurring revenue models
- Focus on value-added, next-generation solutions with high margin potential
- Provide early- and expansion-stage capital for new services, geographic expansion and acquisitions
- Partner with experienced, talented management teams
- Support a true partner approach

## **Outsourced Services**

- Finance and Accounting
- Healthcare
- Human Resources
- Professional Services
- Energy Management

## **Financial Services**

- B2B Services
- Capital Markets
- Consumer Finance
- Insurance
- Payments

## **Information Services**

- Data Services
- Internet Services
- Marketing Services
- New Media
- Risk Management

# Select Baird Venture Partners Portfolio Companies

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**Arroweye Solutions, Inc.** is a leading provider of on-demand, highly customized plastic gift, incentive and payment cards.



**ALI Solutions** provides predictive analytic decisioning applications that empower consumer financial services organizations to preemptively manage risk and improve profitability.



**ClickFuel, Inc.** is a provider of Web-based marketing analytics and reporting solutions for small and mid-sized businesses.



**Encover, Inc.** is a market leader in helping manufacturers and their channel partners manage, market and sell service contracts.



**Fellon-McCord** provides energy management, scheduling, dispatch and consulting services to clients in the industrial, commercial and utility sectors.



**High Street Partners** provides outsourced international business services to primarily small and mid-size companies.



**InsideTrack, Inc.** is a leading provider of student coaching services to colleges and universities to help improve student engagement and retention.



**PayChoice** is one of the nation's largest providers of payroll processing services and software.



**Pinstripe, Inc.** designs, builds and manages talent acquisition solutions for clients in the healthcare, financial services and technology industries.



**Remesas Quisqueyana, Inc. (RQI)** is a leading provider of electronic fund transfer services, with the capability to send money to more than 45 countries through more than 18,000 payout locations.



**SnagAJob.com, Inc.** is the nation's largest job site for part-time and full-time hourly jobs, with more than 20 million registered job seekers.

# Macro Trends

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The Business Services sector has unique and constantly emerging challenges, opportunities and trends. We believe that a company's ability to anticipate and respond to these trends will play a major role in its success:

- Continued implementation of business process outsourcing initiatives is being driven by (i) increasing focus on core competencies, (ii) transaction cost savings, (iii) improved service levels and (iv) the ability to leverage best-of-breed technology.
- Emerging markets, such as India, China, Eastern Europe and Latin America, represent both flexible and cost-effective sourcing markets and present substantial opportunities for expansion.
- Increasing availability of on-demand, subscription-based applications continues to challenge and capture market share from traditional license software models.
- Proliferation of available market information and unstructured data is driving the need for research and analytics to capture, sequence and interpret this information.

## Sector Trends

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### Outsourced Services

- Projected labor shortfall driven by the retirement of baby boomers is expected to further escalate the competition for talent and exacerbate labor shortages.
- Small and medium-size businesses are increasingly adopting best-shore approaches to service delivery to meet talent requirements and achieve cost, scalability and productivity advantages.
- Increased complexity and volatility in the energy markets as well as growing incentives to move to renewable energy sources has created growing demand for industry expertise.

### Financial Services

- Alternative forms of electronic payments (e.g., stored value, money transfer, wireless) continue to gain mass acceptance and usage among consumers.
- Customer management strategies are increasingly focused on personalizing predictive behavior models and deploying them on a dynamic and real-time basis.
- New customer acquisition strategies are being developed to target emerging/alternative consumer segments (e.g., unbanked, thin files, new credit entrants).

### Information Services

- Marketing expenditures continue to migrate rapidly toward more targeted, interactive (e.g., online, e-mail, mobile) advertising and lead generation activities.
- Increasing need for proprietary information/market intelligence in today's economy is generating demand for advanced analytics, expert networks and independent research services.
- Heightened security concerns are driving the use of public records and research for corporate risk management.

# Investment Criteria

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Baird Venture Partners is focused on investments in early- and expansion-stage companies in the Business Services and Healthcare/Life Sciences sectors. The investment criteria for the Business Services group are profiled below:

- Proactive, thesis-driven opportunities in Outsourced Services, Financial Services and Information Services
- Early- and expansion-stage equity investments
- Target companies with annual revenues of \$2 million to \$20 million
- Invest up to \$10 million over the life of an investment
- Lead investor and/or board member; partner with strong investment syndicates

## Baird Venture Partners Overview

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Baird Venture Partners, the U.S.-based venture capital fund of Baird Private Equity, makes venture capital investments in early- and expansion-stage Business Services and Healthcare/Life Sciences companies. Baird Venture Partners leverages its in-depth sector knowledge, experienced investment team and network of relationships to serve as a value-added partner for its portfolio companies. With more than 80 professionals in the United States, Europe and Asia, including a team of operating professionals in Asia, Baird Private Equity and its affiliates have raised and managed over \$2.7 billion in capital.

## Contact Information

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