

VIRTUAL DATAROOMS - VDR'S

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Contents of this presentation are confidential.



VIRTUAL DATA ROOM

- + What clients care about
- + Key features

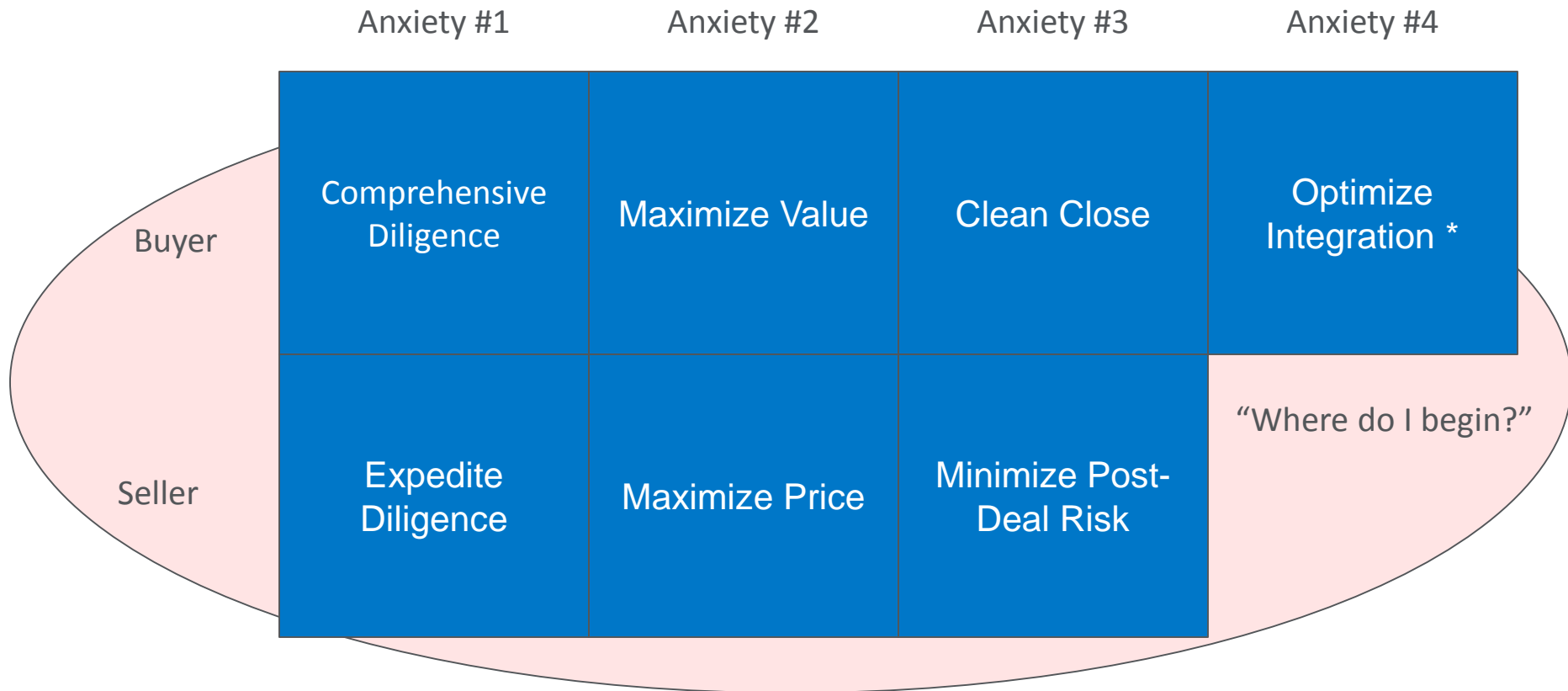


WHAT IS A VIRTUAL DATA ROOM (VDR)?

- A presentation of documents that have been captured, indexed online, and placed in a secured setting
- VDRs are widely touted as indispensable tools of the M&A trade...they disseminate information much more efficiently than the old-fashioned *physical data rooms*
- Initially, simultaneous review with a key value driver
- The degree of security and sophistication of features can vary tremendously...



WHAT YOUR CLIENT CARES ABOUT - A STRATEGIC DEAL TOOL



* A McKinsey study that showed a 4% to 8% return through immediate synergies in a good transaction; therefore, speed to close and then subsequently speed to integration can be quantifiable



WHAT BANKERS CARE ABOUT - HINT: IT'S ALL ABOUT THEM

1) Site Admin Perspective (Highlight Ease of Use!):

- a) Uploading documents / Maintaining folder structure
- b) Setting permissions
- c) Adding users
- d) Bulk download
- e) Watermarks
- f) Quality customer service / project management

Build your site live in the demo! Quick, quick, quick and get your site completed and users added in just minutes!

2) Selling the Client:

- a) Index tab (clean layout) / Document Viewer & Search Capabilities
- b) Security – top notch (ISO 27001, watermarks)
- c) Reports ('User Detail' is the most comprehensive; reports court defensible)

3) Q&A Forum

- a) Download the spreadsheet! Mirrors the tracker used by bankers in the diligence phase of the deal
- b) 'See Also' - Attach hyperlinks when responding to questions – keeps user in the site and enables reporting capabilities
- c) Assign questions to other site admins

At the end of the day, bankers just want to get the job done quickly, correctly, and go home...



KEY FEATURES - SEARCH

Optical Character Recognition

- Offered by some VDR providers; allows text in scanned documents to be recognized by the search functionality of the VDR

Search

- A key feature of a VDR; enables users to search documents for specific words and phrases
- Capabilities vary by provider: title search vs. content search; single-step search vs. 2-step search, keyword vs. comprehensive robust syntax, limitations based on file type, etc.
- Multi-lingual search can be critical if Foreign Corruption Protection Act (FCPA) concerns exist



KEY FEATURES - AUDIT

Audit

- Allows for document tracking, including viewing access by frequency, date and user; enhances transparency of the data room process
- Gives the target the ability to profile and rank potential buyers based on their level of interest and indicates the most frequently accessed documents / pages of documents; this is important in ascertaining the buyers that should proceed to a second round of due diligence, which usually involves disclosing sensitive company information
- In the event of legal proceedings or misuse of confidential documents in the VDR, the audit trail provides proof that a certain user accessed specific documents / pages of documents
- May be used against the target if documents are not made available to the buyer



KEY FEATURES - SECURITY

Security

- ISO/IEC 27001:2005 certificate of registration
- Client data is 256-bit SSL encrypted with Extended Validation (EV) by VeriSign®; optional two-factor RSA SecurID™ tokens; strong passwords are required
- Document presentment options – No Protection vs. Native Password Protection vs. Digital Rights Management (DRM) vs. Encrypted Image Presentment
- Data-at-Rest encryption and Transport Layer Security (TLS) e-mail encryption options
- Responsibility for owning, operating, and managing the entire infrastructure
- Full disclaimer language acceptance is required at a minimum upon first login
- Tamper-proof, personalized watermarks



Questions and Answers



Learn more.

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