

# Business Development



*Case Study*

*a \$40M deal*

*One example of achieving results as a business development executive...  
Prepared by Ted Osborn, Business Development Executive*



# Hosted SaaS Provider

## eCommerce for B2B procurement

### What do we sell?

Search engine

Hosted content manager

Maintenance agreements

Content creation

Deal Total

### What does my CFO want?

\$1M perpetual license fee

\$200K annual license fee, 3 year term

18% annually

Fee-for-service business

\$1,888,000 plus content creation fees

# Ted Osborn



## Challenges

Our Marketing Director unilaterally responds to an RFI without Bus Dev input

Job 1 – to build rapport and change their expectations, if necessary...  
a simple question: ...“help me to understand your business model?”

Prospective partner is owned by a holding company that also owns our competitor...

Careers were at stake with their CSO, CTO, and CFO ...ask me how I solved this

We can't book fee-for-service revenue until the work is delivered; and content creation is crucial for mutual success

A creative partnering deal was required to create a win/win...

Solution? Mutual content creation with royalties on revenue generation

Value-based pricing on royalties built the deal and cemented a close partnership

# Ted Osborn



So, 11 terms sheets later over a 4 month period, here's the deal...

	<b>Expectations</b>	<b>Results</b>
Search engine	\$1M perpetual license fee	\$3.25M over 5 years
Content manager	\$600K over 3 year license	\$1M over 5 years
Maintenance	\$288K over 3 years at 18%	\$765K over 5 years at 18%
Content creation	\$4/unknown # of SKUs	\$36.36M royalties over 5 years, paid quarterly
Deal total	\$1,888,000 plus ???	\$41,375,000

My CFO got a little nervous... the heat was on...  
when the deal closed, we filed our S1 registration

# Ted Osborn



Partner comment from SVP Sales and Market Development

(As written by an internal VP, following my 3 month sales campaign...)

*“He [Partner SVP] made specific comments about what a professional job our sales guy Ted Osborn has done with [Partner]. He had been told by numerous folks at [Partner] that Ted has made every attempt to understand the delicate situation [Partner] is in as they move to select [Our Company] – especially with the “sibling” relationship they have with [Our Competitor]. His words: Your sales guy did a great job of selling [Our Company’s] value in addition to helping the team make the selection within a very politically charged situation...*

*Overall, Ted and the [Company] team are characterized as extremely professional and interested in a partnership not just making “the sale”.*

*Kudos should be extended to Ted...it’s always great to hear good things from unlikely sources.”*

# Ted Osborn



*Chief Strategy & Technology Officer, [Company]:*

*“Ted is a ‘businessman’ who comprehends complex deals. He put together our second most profitable deal with [Partner] just behind our \$100M deal with SAP. He has great business creativity. He could put together complex, unique deals. He makes sure it’s profitable. He’s a rare, legitimate ‘win-win’ guy.”*

# Ted Osborn



Sourced and closed 15 transactions for \$92 million over the past eleven years

## Sector experience

- Software
- Wireless
- Internet Access
- Business Services

Seeking growth stage company which requires strategic deal-making  
Prepared to work virtually, or relocate for the right opportunity

Ted Osborn

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Thank you!