



XPX Global

2015 Annual Report

Introduction

XPX is a network of related entities that focus on building communities of professional advisors who work with privately-held businesses and their owners. Our members help owners build valuable businesses and assist them in preparing and executing a successful transition for the company and its ownership. Private company transitions require a broad view of the entire life cycle of a private company including:

- Business value growth
- Business value transfer
- Owner life and legacy

Our community includes advisors and owners in all stages of this process which means that we represent the full community of advisors to privately-held businesses and their owners. XPX members have specific areas of expertise as well as a holistic understanding of the breadth of challenges an owner faces throughout the stages of the private company life cycle. This helps the members to work collaboratively in the best interest of their clients.

The core principles of our organization include:

- Focus on the private company market
- Embrace service providers
- Keep the network open
- Maximize local control and innovation
- Support the network with excellent shared brand and services

XPX Chapters are locally-controlled non-profit organizations led by prominent professionals in five markets in the northeastern U.S. including Boston, CT, DC Metro, Maryland and Philadelphia. The Chapters focus on high-value tasks attractive to senior professionals: events, sponsorship and membership. XPX Global LLC (Global) is a for-profit entity staffed by association management professionals (Admins). Global provides consistency of management, shared branding and a sound technology infrastructure, none of which are ideal volunteer activities. In the decade since our founding in 2006, XPX Global has built a strong network which we service through centralized branding and services. The value creation resources of our organization are summarized on the following page.

XPX Global Value Creation Canvas

XPX Global At Jan, 2016	PARTNERS ↔ Relationship Capital	PURPOSE Strategic Capital	PROPERTY Structural Capital	↔ PEOPLE Human Capital	↔ PLANET Natural Capital
Resource Inventory	CUSTOMERS XPX Chapters	VALUE PROPOSITION Give Chapters the benefit of a shared brand, network and services while maximizing local control	PROCESSES <ul style="list-style-type: none"> Chapter start-up Event mgmt Membership mgmt Web site service and development 	COMPETENCIES <ul style="list-style-type: none"> Association mgmt Community development Social media 	RESOURCES XPX Global is virtual so not significant user of natural resources.
	SUPPLIERS <ul style="list-style-type: none"> Wild Apricot (platform) Supporting Strategies (fin) WebBright (web development) Stripe (paymts) DigiCert (security) 	BUSINESS MODEL <ul style="list-style-type: none"> Service License fee based on gross revenues No fees are payable until a new Chapter has sufficient cash 	DATA/IP <ul style="list-style-type: none"> Member profiles Email list Website Manuals URL's Brands 	ADMINISTRATORS <ul style="list-style-type: none"> Donna Powell Angie Ellis Kathy Goodrich MANAGEMENT <ul style="list-style-type: none"> Mary Adams Dan Guglielmo Shannon Zollo 	LAND N/A
	STAKEHOLDERS <ul style="list-style-type: none"> XPX Members XPX Sponsors Business Owners Private Company Community 	CULTURE <ul style="list-style-type: none"> Professional Collaborative Learning Adaptive 	BUILDINGS/EQPMT N/A	ADVISORS/BOARD XPX Leadership Collaborative (incl representatives from all Chapters)	WASTE Chapters hold in-person meetings which imply travel and some paper use.
Metrics	5 Chapters 370 Members 4000+ contacts	Service license fee 35% payable when Chapter has >\$7,500	15 member levels 36 major sponsors 68 events	3 virtual Admins 1 part-time Exec Dir 3 Founders	



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2015

This past year was a very important one for us as we solidified the progress we've made over the last decade. Our principal accomplishments included:

Wild Apricot Conversion – We moved to an integrated platform built for small and mid-sized associations called Wild Apricot. It includes integrated contact, membership, event and email functionality. This platform removed prior inefficiencies caused by having three separate databases for membership, events and email management. The platform also has functionality to build a website on top of the database. Many of the website pages update automatically when member, sponsor and event information is updated.

New website – We launched the third generation of our web presence with the new site on Wild Apricot. The site has a cleaner look and user experience. It also has separate sections for each Chapter. We brought over all past content contributed by our members in the Knowledge Exchange. The new site also includes a robust directory of our Members called the Advisor Directory. We are now also working to create a Tool Directory to feature the growing number of certification and tools offerings in the private company market.

Launch of XPX Maryland – Effective January 1, 2016 our newest Chapter, XPX Maryland, is officially an independent entity. They made one of the best start-ups thus far and will be going on their own with a good cash balance and great momentum for continued growth and success of their Chapter.

Updated Contracts – In the process of developing the contract with XPX Maryland, we realized that there were enough differences between the contracts of the four original Chapters that it made sense to create a single, standardized agreement. After feedback from Maryland and the other four Chapters, we came up with a strong, well-balanced agreement that we believe will serve us for many years to come.

Manual – Based on our experience with Maryland and some new Chapters that are in early stages, we realized that it would be helpful to document more completely the work of XPX Chapters and XPX Global. The result was the XPX Chapter Manual which includes checklists for all major functions such as membership, events, sponsorship and financial management.

Hinge Study – We collaborated with Hinge Marketing in a study of the reasons that professionals give and get referrals. With the approval of the Leadership Collaborative, the survey went out to the full XPX mailing list of 4,000+ professionals. The final research results are included in a report that is being released in stages through targeted programming at each Chapter. Once these programs are completed, we plan to release the report on the XPX website as a great resource for our members and web visitors.

These efforts have helped us to institutionalize all the learnings since our founding ten years ago. They also give us a strong, scalable foundation for future growth.

2016

Going into 2016, our key goals for the year include:

New Chapters – We expect that the manual and our systems will enable us to support the growth of new Chapters. We have signed letters of understanding with two new Chapters: NY Metro and Phoenix. We are also in discussions with groups in several other geographies. These Chapters in Development will be on-boarded using a more formalized process than we have used in the past. The process is included in the new XPX Chapter Manual. We welcome any referrals to professionals in other geographies who might be interested in starting a Chapter.

Social and thought leader outreach – Just as XPX has grown over the past decade, so has the private company/exit planning market. There are now three companies offering exit planning certification, multiple companies offering value creation toolsets, and countless thought leaders around the country who are active publishers of useful content. We are working on a more formal process for outreach to these market leaders. The idea is to get them to contribute content through an At-Large Individual Profile or a Corporate Tool Profile. This gives them access to our network, increases the knowledge available to our members and also supports our on-line visibility with good web content.

Scalable programming model – To date, programming and sponsorship have been handled independently by each Chapter. However, the growing maturity of the market and of XPX suggest that it may be possible to create programming/sponsorship models that can be leveraged and repeated across the network. The intention is to create a more reliable revenue model from year to year across the Chapters.

Explore video development – An enormous amount of knowledge gets shared in our XPX programs. There are many good examples (TED being the most famous one) that demonstrate that video of live programs tends to increase demand for the live programs. This year we want to explore if and how we could create a video library of as many programs as possible (maybe for members only?). This will require study and training to identify the right model so that this is easy for Chapters to implement.

Competition

As we move forward, it is important to keep an eye on the development of the private company market. XPX competes indirectly with many kinds of organizations that hold educational and networking meetings of interest to our members. In a few of our markets, EPI and AM&AA are also pursuing the formation of a Chapter network. Their model involves local volunteers who organize local events but all the financials (and profits) remain with the national, for-profit entity. This differs from XPX where the local Chapters are autonomous non-profits who retain financial control.

Long-Term Vision

The value of a network generally increases with the number of people in it. XPX has built a strong brand and reputation but today we are only active in a handful of U.S. cities. There is significant room for growth. In the coming decade, we would like to build a network of at least 20 domestic and 3 international XPX Chapters. Over time, we believe that it may be possible to expand our Chapter activities to include not only advisors to business owners but also the owners themselves.