



XPX Global

2016 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 life cycle of 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 that hold meetings in nine markets concentrated in the northeastern U.S. including Boston, Connecticut, DC Metro, Maryland, New Hampshire, New York, Philadelphia, Rhode Island and now moving west to Chicago. 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, 2017 | 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"> Owners' Academy on-line content and videos Member profiles Email list LinkedIn and Twitter accounts Website Manuals URL's Brands | ADMINISTRATORS <ul style="list-style-type: none"> Donna Powell Angie Ellis MANAGEMENT <ul style="list-style-type: none"> Mary Adams FOUNDERS <ul style="list-style-type: none"> Dan Guglielmo Shannon Zollo Mike Oleksak | 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. |



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Key Metrics

| | 2014 | 2015 | 2016 |
|-----------------------------------|---------|---------|---------|
| Relationship Capital | | | |
| Chapters | 4 | 5 | 5 |
| Markets Served | 4 | 6 | 8 |
| Chapters in Development | 1 | 2 | 3 |
| Members | 301 | 370 | 524 |
| Major Chapter Sponsors | n/a | 36 | 43 |
| Contacts | 3,647 | 4,050 | 5,296 |
| Strategic Capital | | | |
| Total Chapter Revenues | 252,031 | 260,910 | 236,285 |
| Consolidated Chapter Cash | 100,535 | 117,600 | 105,841 |
| Total Global Revenue | 88,283 | 101,019 | 75,895 |
| Consolidated Global Cash | 39,162 | 24,570 | 29,243 |
| Structural Capital | | | |
| Events | 58 | 68 | 82 |
| Articles on site | n/a | 156 | 290 |
| Videos on site | n/a | 29 | 53 |
| Full-length programs on site | - | - | 7 |
| Video views | | | 97 |
| Web visitors | 10,725 | 10,203 | 15,216 |
| Average page views | 4.72 | 4.49 | 3.84 |
| Average time on site | 3.40 | 4.08 | 3.38 |
| Human Capital | | | |
| Virtual Admins | 2 | 3 | 2 |
| Part-time Exec Director | - | 1 | 1 |
| Leadership Collaborative Meetings | 6 | 6 | 6 |

2016

Coming into the year, we had four major goals. Below is a summary of our progress on these fronts:

1. **Expand Chapter network** – In 2016, we supported the development of a new Chapter in Chicago. This new Chapter will sign an agreement in the first quarter of 2017. The original XPX Chapter in Boston also expanded its geography and is holding meetings on an alternating schedule in Massachusetts, New Hampshire and Rhode Island. Our second XPX Chapter in Connecticut also expanded to the Tri-State region, holding regular monthly meetings in Fairfield County and New York City in 2016, adding New Jersey and Hartford CT in 2017.

2. **Social and thought leader outreach** – We began regular Tweeting at @XPXOwnersAcademy as well as in our LinkedIn groups. We also reach out to thought leaders to feature their content on our website and open conversations about new XPX Chapters.
3. **Scalable programming model** – The thought here was to create repeatable programming and/or sponsorship opportunities to create a more reliable source of revenue for the Chapters. In terms of repeatable programming, we have made great strides as most Chapters have adopted a case study model first tested by XPX Connecticut. In terms of repeatable sponsorship opportunities we made a first step in this direction with a sponsored panel discussion of professional certification at the 2016 New England Summit. The sponsors/participants represented three of the principal certifications in the private company market. The session was filmed and is available on the XPX website. This is not a model that has yet been adopted by other Chapters. The most likely way we roll this out will be under the Owners’ Academy brand.
4. **Explore video development** – With the help of our New England and Connecticut Chapters, we have begun a program of videotaping full meetings and publishing them on our website. We’re using the Wistia platform so we can control the content and get all the search engine benefit from it. Global provides a resource who trains the Chapter volunteers to videotape at the meetings. After the meeting, they send the file to Global and the editing and web setup are handled centrally.

As seen in our metrics above, our on-line videos and articles have been growing significantly. With the launch of the full-length programming, we made a decision to consolidate all the thought leadership on our site under our trademark, “Owners’ Academy.” We will continue to develop this strategy and use it to help fuel growth.

2017

Going into 2017, our key goals for the year include:

1. **Accelerate new chapter development** – We have steadily increased our footprint over the course of our first decade. Along the way, we’ve created a stable, scalable infrastructure to support our network of Chapters. The time is right to expand at a faster pace and reach across the country. We are currently in conversations with potential launch teams in California and Texas. We are also considering alternative ways of staffing/incentivizing the addition of new Chapters. Our goal is at least two new Chapters outside our core markets in 2017.
2. **Expand the Owners’ Academy** – The content in the Owners’ Academy is a win-win-win. It gives greater exposure to those sharing the content, it fuels learning for our community and members, and it strengthens the visibility of our website. In 2017, we will continue to work with members to share content and will work with more Chapters to get videos of their programs on line. Our goal is 50 full-length programs and 600 articles on the site by year end.
3. **Support increased involvement by owners** – XPX New England is actively working to engage business owners with meetings and memberships. This is a departure from the traditional XPX model but one that is sure to provide inspiration and lessons for all Chapters. The on-line Owners’ Academy is a second route to engaging directly with Owners. Our goal is to identify strategies and a model that we can implement in coming year.



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.