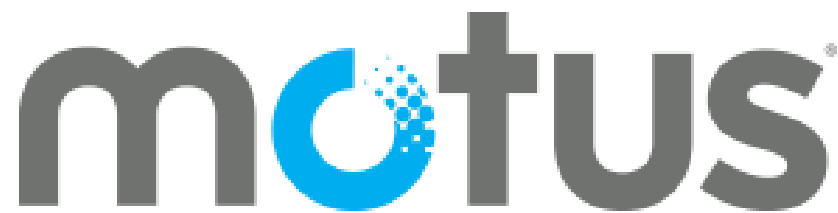

MAKING MOTUS MARKETABLE



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EXECUTIVE SUMMARY

Motus possesses significant untapped potential in the Facility Management (FM) vertical through its underutilized marketing strategy. By taking a data-driven, analytical approach to securing business consumers in the FM vertical, Motus can significantly increase their profits and business opportunities. Due to minimal market penetration in the space by Motus's competitors, there is a significant opportunity to capitalize upon. This opportunity is compounded by the competitive nature of the industry, and the constant need to stay ahead of competitors. Motus has a proven service that not only reduces costs for the company, but also accurately reimbursing employees, creating a beneficial situation for all at stake. In order for Motus to grow and sustain a competitive advantage in the new industry, they need a purposeful, targeted marketing strategy focused on business-to-business value creation. This will not only give Motus a strong position in an up-and-coming industry, but greatly improve their corporate performance.

A PROMISING FUTURE IN FACILITY MANAGEMENT

Facility Management (FM) is quickly becoming one of the largest Business Service verticals. Currently valued at \$27.25 billion, the Facility Management industry is expected to grow to \$50 billion by 2020, a 12.7% CAGR (3). Industry employment is also growing. According to the US Bureau of Labor Statistics, 2015 employment was 138,295-- a 9% increase from 2012 (3). This growth is largely attributed to the growing trends in outsourcing noncore business processes. Many firms are finding it more cost-effective and less risky to outsource non-essential aspects of their business, providing a huge opportunity for firms within Facility Management. To capitalize on this, Facility Management firms are diversifying from traditional janitorial and security services, and beginning to offer IT, energy management and medical services, amongst many others. This rapid growth has evolved the Facility Management into an attractive industry.

Many offices, stadiums, jails, universities, hospitals and other large facilities are looking to outsource their facility operations to become more efficient. As a result, buyer power is low, furthering the attractiveness of the industry. Another benefit for firms within Facility Management is the contractual nature of their services. Customers of FM firms sign long term contracts for the firm's services. This makes switching costs extremely high for facilities locked into a contract. Rivalry is subsequently decreased by this factor, as once a client is secured by a competitor, it is difficult to win them back. In addition, many of the FM firms are large enterprises, creating large differences in market share and size. These factors do promote a competitive environment, but are forcing the substantial growth of the industry. Additionally, the need for FM firms to stay competitive provides Motus with the opportunity to penetrate the market and increase margins and efficiency.

Using Motus's overall market cap in the Business Service industry, we are assuming penetration in the Facility Management vertical is similarly underrepresented in mobile

workforce management systems utilization. The umbrella industry (Business Services), which Facility Management belongs to, is only 1.1% penetrated by solutions similar to Motus. This provides a large opportunity to capitalize on the cost savings Motus has provided to other companies in the past. Furthermore, there are very few firms competing in this space, offering similar solutions. Motus can couple their benefit advantage with a first mover advantage, to effectively penetrate the growing FM market.

PENETRATING THE MARKET

Businesses within the Facility Management industry strive for increased worker satisfaction and productivity. Motus can fulfill this by implementing an improved marketing plan that focuses heavily on supportive data and statistics. Offering analytical information in marketing efforts will help FM executives decide the best reimbursement program for them. The quantitative focus of the targeted marketing plan is best suited for the FM vertical due to its emphasis on the bottom line.

Facilities Management (FM) currently employs 138,295 people with an estimated 60% driving their own vehicles. Without the presence of Motus's vehicle reimbursement program, these 82,977 employees are receiving a fixed rate for travel expenses per month. This results in money lost for both the employer and the employees due to income and FICA taxes. This loss represents a major opportunity for Motus to employ their FAVR reimbursement system into the Facility Management sub-vertical. A nontaxable FAVR program not only saves a significant amount of money for the company, but also its employees. (Exhibit 1)

The average W2 driver in the industry travels 32 miles per day, to and from each jobsite they are scheduled for (5). This amounts to roughly 7,200 miles per year, per employee, which FM companies are responsible for. We then estimated the total industry cost of vehicle reimbursement to be \$248,931,000. When the 8% FICA tax rate is imposed upon the employer, they actually end up paying \$20 over the expected \$250 reimbursement. In addition, the employee isn't receiving the full benefit of their reimbursement. After federal, state, and local income taxes, employees only end up with \$187.50 when they were expecting \$250. This leaves a total of \$82.50 lost to taxes per month per driver or \$990 a year per driver. When extrapolated across the entire FM vertical that's \$82,147,230 in savings per year if Motus's FAVR program is utilized (Exhibit 1).

If Motus were to capture 100% of the market share, they would add \$28,751,530 to their annual revenue. 100% market share may be difficult, but due to their first mover and benefit advantage, as well as few strong rivals, Motus will likely make large strides in capturing market share. The first two years will be largely dependent on targeted marketing efforts and the perceived quality of Motus's products. We are expecting 5% and 15% market share for 2016 and 2017, with profits of \$1,448 thousand and \$2,416 thousand respectively. By year five, 50% market share and \$11,248 thousand in profit. (Exhibit 2) Once industry members see the value we are creating for not only the company, but also its employees, it will become essential to

stay competitive in the industry, and is reflected in Motus's 98.5% client retention rate. Motus's product allows firms in FM to allocate resources away from tax expenditures, and towards offering a better service for its clients. Five years down the road, we expect Motus to be well on its way to capture significant portions of the FM industry, and nearly tripling profit compared to the status quo.

A DATA-DRIVEN MARKETING STRATEGY

Current Marketing Plan

Motus's sales and marketing budget for 2016, according to updated forecasts, is \$14.656 million, 34% of annual revenue (Exhibit 2). Marketing is solely focused on developing the brand, content marketing, and demand generation. Motus generates sales leads through cold calls, client referrals, and online lead generation using SEO, white papers, and webinars. Online campaigns are broad and brand-supporting, using messages such as "The Most Accurate Vehicle Receipt Available." Little has been focused on utilizing social media marketing due to infancy in department and budget restrictions.

Because Motus only began marketing their products in 2015, there is potential to grow the department. The targeted, analytically focused marketing strategy will help Motus reach the FM vertical more efficiently and cost effectively. It is designed specifically for the future Marketing Program Manager of the FM vertical of Business Services.

Facility Management Target Market:

Motus's target market will consist of high level executives of FM companies who are making strategic decisions, and therefore are highly concerned with cost, value, and revenue potential. With strong pressure in the industry to cut costs to stay competitive, these consumers need to be educated on the value Motus's products can add to their firm.

Advantage: Unique Selling Position:

Motus is a very agile and technically advanced competitor in the employee reimbursement industry. Businesses within the FM industry demand increased worker satisfaction and productivity, and Motus fulfills this through their reimbursement program and mobile tracking application. Emphasis on statistics relating to efficiency and accuracy will be reflected in the marketing efforts moving forward when trying to communicate their competitive advantage to the business consumers within the facility management industry.

Business-to-business consumers are decreasing their engagement with salespeople and conducting their own information searches. Motus must become experts in the FM industry to understand how these consumers buy, and what is important to them. Using this knowledge, Motus can better focus their marketing efforts. Furthermore, this will increase the accessibility of Motus's data for the business consumer during their search for information. Having clear,

simple data clearly accessible to these companies will give Motus the reputation of convenience and transparency.

Marketing Material:

The marketing materials will include printed media that will improve the distribution of information, including data, with the business consumer, while also maintaining the brand image, logo, and personality that Motus has already established. They must focus on cost saving, reliability, and analytical data to appeal to the business customers in the Facility Management industry. These will target executives in charge of making decisions such as contracting an employee reimbursement company.

Promotional Campaign:

Marketing to business consumers rarely employs traditional media such as TV and radio commercials. Motus is currently utilizing an emotionally appeal in some of their commercials to reach target consumers, which fails to resonate with the business decision maker who cares more about straightforward, analytical promotions. While some of Motus's marketing content explains their services in a rational way, they don't emphasize the cost savings or retention rate nearly enough. The new marketing plan will solely focus on providing the necessary information to help executives choose the right reimbursement program, ideally Motus. Moving forward Motus will employ clear data and real world results in promotional material to convince new clients. Motus will continue to employ lead generation to attract business consumers within the facility management industry, but the new marketing strategy for Motus will also emphasize promotional efforts that will allow them to effectively communicate with these consumers. Motus's short promotional videos will employ aesthetically pleasing portrayals of simple, statistical data; clearly showing businesses the numbers and facts that they demand to see before purchasing a product. Motus will also buy advertising space in business magazines like Forbes, Bloomberg Businessweek and The Economist. Doing this will allow them to target their desired client and generate buzz around their services. Motus will also participate in trade shows and write press releases targeted at the FM vertical. This will embed them in the FM industry where they will clearly communicate the cost saving benefits that they provide. These actions will be particularly important during the initial phases of penetrating the FM vertical and lead to long term success.

Online Strategy:

1. ***SEO Strategy & Keyword Associations-*** In a marketing sense, the brand of Motus is in its infancy. Due to marketing budget constraint we will keep focus on organic search engine optimization. As rivalry increases and our success in the FM industry is realized, Motus will allocate more spending to Paid SEO. Moving forward into the FM vertical we ideally

want the brand to reflect “fair reimbursement”, “cost savings” in both administrative and travel expenses, and “reliability”.

2. ***Paid Online Advertising-*** Since social media marketing has improved SEO, part of the current budget spent on SEO will be allocated to online advertisements such as Facebook targeted ads and Google AdSense.
3. ***Social Media Marketing-*** Utilize Facebook and Twitter to distribute our content marketing materials to a dedicated customer base. Improves SEO at no cost.

Conversion Strategy:

To convert new customers into leads, we will focus on the ways that Motus saves their customers money and in effect increases margins. We are going to utilize our current reputation by emphasizing our client testimonials and impressive client retention rate to attract new clients. This, along with an emphasis on keeping the actual numbers of cost savings very accessible, will directly target decision makers. Motus is entering the vertical while it is in the introductory stage of the product life cycle. This gives the initially expectation of less rivalry and the opportunity to establish themselves in the vertical as an industry leader.

Marketing Financials:

Motus will maintain their current budget for this marketing plan as a part of marketing and sales. The financial gains from marketing are depicted in Exhibit 2.

Exhibit 1

Facts and Assumptions		
Motus Financials		
Title	Number	Assumption/Source
[1] Total Workers	138,295	Source: (7)
[2] Workers Using Own Car	82,977	Assumption: 60% of total workers using their own vehicle
[3] Average Miles/Driver/Year	7,200	Source: (5)
[4] Flat Rate Reimbursement/Driver/Month	\$250	Assumption: Used Motus' example of \$300, dropped to \$200 because of lower gas prices
[5] Employee Tax Rate	25%	Source: Motus Cost Savings E-Book
[6] Employer Tax Rate	8%	Source: Motus Cost savings E-Book

Calculations		
Motus Financials		
Title	Number	Description
Employee: Cost of Taxes/Month/Driver	\$62.50	$[4] * [5] = \$250 * 25\%$
Employer: Cost of Taxes/Month/Driver	20	$[4] * (1 + [6]) = \$250 * (1 + 8\%)$
Total: Cost of Taxes/Month/Driver	\$82.50	$\$62.50 + 20$
Total: Cost of Taxes/Year/Driver	\$990	$12 * \$82.50$
Total Industry Cost/Year	\$82,147,230	$\$990 * 82,977$ (Industry Drivers)
Motus Profit (100% Market Share)	\$28,751,531	$\$82,147,230 * 35\%$

Exhibit 2

\$ in thousands		2016	2017	2018	2019	2020
Revenue		\$41,667	\$53,125	\$67,734	\$88,055	\$114,472
Additional FM Revenue		\$1,438	\$4,313	\$8,625	\$11,501	\$14,376
FM Market Share		5%	15%	30%	40%	50%
Total Revenue		\$43,105	\$57,438	\$76,359	\$99,556	\$128,848
Growth			27.5%	27.5%	30.0%	30.0%
Cost of Sales	20%	\$8,621	\$11,488	\$15,272	\$19,911	\$25,770
Gross Profit		\$34,484	\$45,950	\$61,088	\$79,644	\$103,078
Marketing & Sales		\$14,656	\$20,103	\$26,726	\$34,844	\$45,097
R & D		\$9,914	\$12,636	\$16,035	\$19,911	\$24,481
G & A		\$7,759	\$9,764	\$12,218	\$14,933	\$18,039
Operating Expenses		\$32,328	\$42,504	\$54,979	\$69,689	\$87,616
% of Revenue		75%	74%	72%	70%	68%
Operating Income		\$2,155	\$3,446	\$6,109	\$9,956	\$15,462
Margin		5.0%	6.0%	8.0%	10.0%	12.0%
Interest		\$225	\$225	\$225	\$225	\$225
Taxes	25%	\$483	\$805	\$1,471	\$2,433	\$3,809
Net Income		\$1,448	\$2,416	\$4,413	\$7,298	\$11,428
Margin		3.4%	4.2%	5.8%	7.3%	8.9%

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Total Industry Profit Potential \$28,751

Exhibit 3 (Infographic)

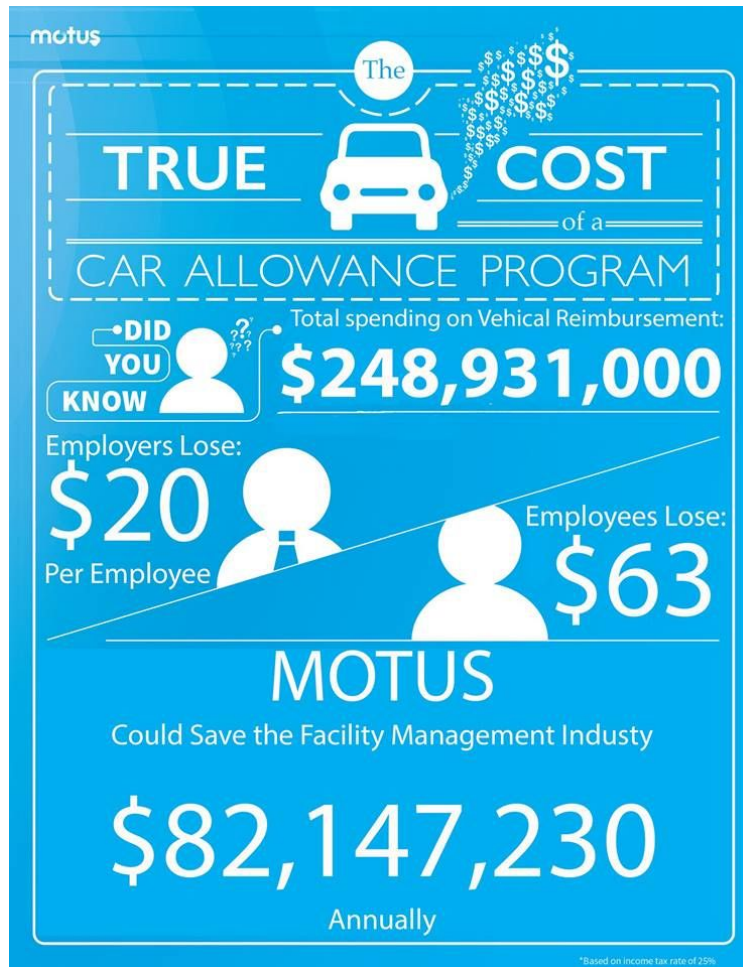


Exhibit 4 (Video)



Exhibit 5 (Ad)



WHY MOTUS?

98.5%

Client
Retention

Visit www.Motus.com

TM

The advertisement features a background image of a sunset over a body of water, with the wake of a boat visible on the right side. A large, semi-transparent white circle is overlaid on the image, containing the text '98.5%' and 'Client Retention'. The text 'WHY MOTUS?' is at the top, and 'Visit www.Motus.com' is at the bottom. A small 'TM' trademark symbol is located near the bottom right of the circle.

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