

Cross X Platform (CXP) gives Professional Service Entrepreneurs A Flexible, Collaborative Support Platform to accelerate their Business Independently and Collectively as a Team

**Financial
Business Accelerator**

**Cross X Platform
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**Terry Williams
Founder & Chief Executive Officer**

BIO:

Terry Williams is Founder and Chief Executive Officer of CXP. As CEO, Terry is responsible for the overall company strategy, leading the selection of portfolio companies and managing relations with the investment community. In addition, he serves as Managing Partner of NextStage Capital, a successful venture capital firm focused on financing start-up technology companies in the Mid-Atlantic region.

Terry has a strong track record as a venture capitalist, angel investor and hands-on CEO building and launching numerous companies. They include Movitas, a mobile software platform company he co-founded in 2008 and the TWC Group, a recruitment process outsourcing firm which he sold to COMSYS in 2007. Terry has over 30 years experience in the human capital industry and building successful technology focused businesses. He has been widely published in such venues as HR Executive Magazine, Harvard Management Update, Network Magazine, Princeton Business Journal and vcapital.com. He also appeared on CNN and NBC Nightly News. In 2011, Terry is a Founding Member of the Robb Report Club. Terry holds degrees in Criminology and Psychology from the Indiana University of Pennsylvania.

About Cross X Platform (CXP):

Cross X Platform (CXP) sharply accelerates professional services firms' capacity to scale and deliver the sustainable results that business leaders expect. Top-tier services firms in the CXP portfolio leverage our shared services platform – including collaborative sales and recruiting engines, efficient back-office support, leadership and capital – to increase speed and operational agility to better serve clients and expand the business. And with CXP managing most non-core business functions, our portfolio companies are in a superior position to improve delivery outcomes and time-to-market advantages across mid-to-large organizations and Fortune 500 companies.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Williams, what was your vision when you started the company and where are you today?

Mr. Williams: The vision for CrossX-Platform or CXP was to create a platform at the time in the market where smaller service companies in the \$2 million to \$10 million in revenue did not have access to either capital or without capital have the ability to get working capital or expansion capital in order to grow. The vision was to align five to seven companies under one shared services platform in order for them to go to market more effectively.

CEOCFO: How has that developed over time?

Mr. Williams: It has gone very well, thank you. We were able to raise capital, and we raised over \$1 million for this platform. We launched in fall 2011, so we have been together a little over a year. We have three companies in our portfolio. We expect to end up over the next year and a half with a total of seven or eight portfolio companies under CXP. The unique part of what we are doing with CXP is that we are offering both back-office support, such as finance, marketing, public relations and HR. It is technically shared services but it is a little different in that we are also offering front office support around sales, business development and talent acquisition. We want to do whatever we can to help these companies grow. What is unique about the model is when we raised the capital we carved

out 24% of the equity of CXP in which we use to basically swap equity with all companies that are a member of CXP portfolio companies. Each company now owns equity with the other and it is very collaborative.

CEO CFO: What do you look for in your search for a company?

Mr. Williams: The most important factor for us when we put this together was to make sure that the companies are collaborative and not competitive. For example, our first company was in the technology services space. The second company is in the RPO/recruiting outsourcing space. The third portfolio company does temporary hire, so not professional recruiting but the temporary labor workforce. We currently have two term sheets out with two other professional services firms. It is important that each company that we add to the portfolio is collaborative, meaning they can cross-sell to their client list but also not compete with each other. It is very black and white from a competitive perspective.

CEO CFO: Would you tell us what you look for when you are reviewing a company and the management?

Mr. Williams: One thing we look for is leadership, the management team or the owners. The second is the business scale and the third is whether the founders or the ownership is looking to scale the business in a defined period and are the looking for an exit opportunity and if they are looking for liquidity to sell their business over the next five to ten years. Those are all very important items for us to look at because we want to return capital to our investors.

CEO CFO: Do the companies that are already part of CXP have a say in the new company you decide to add?

Mr. Williams: They do have a say. I think that is the right thing to do. They do not have a say in the governance of CXP; however, we formed an executive committee council of which each portfolio company is a member. The purpose of the executive committee is part collaborative referral source, part leadership guidance, and part strategy on how to grow CXP and

which companies we want to try to add to the portfolio. They do have a say and have the rights to be able say you should not pursue this company based on some history or what they know.

CEO CFO: Who is your customer base and how do you reach them?

Mr. Williams: The easiest to market is the mid market and the emerging growth space for all these companies. We are also working on the largest Fortune 1000 list. The unique part about how we are penetrating the market is each portfolio company has established client lists. A third portfolio company is a company called PeopleShare and they have roughly two hundred different clients. We leverage their contacts to benefit all the other portfolio companies because they are not competitive. If they are working with a number of Fortune 1000 or even mid market companies, we are asking for introductions as appropriate for their other sister companies within CXP. Now you have a smaller service company that might be doing \$5 million in revenue and it has now expanded its sales force to include the other sales business development service from their portfolio companies. That is unique.

CEO CFO: Why is this something new now since it makes so much sense?

Mr. Williams: There is usually a reason for things not happening. I am a serial entrepreneur. I created a business in what they call the RPO (Recruiting Process Outsourcing). I sold that business in 2007 to COMSYS, which is now Manpower. I am also a venture capitalist. I am in the business and have a fund. I am in the business of seeing early stage venture capital. I am always looking at businesses and ideas. After I sold my one business in 2007 about two years ago I had a number of investors that asked me to go out and do something else again. I spent about a year incubating this idea with other venture capitalists, lawyers, and accountants, making sure we got it right. I saw a need and timing in the market, and I saw many great companies that were stagnant. CXP gives professional service entrepreneurs a flexible, collabo-

orative support platform to accelerate their businesses independently and collectively as a team. The execution has been the proof in the pudding with us expecting to have five portfolio companies by the end of the first quarter of 2013.

CEO CFO: What are the most important things that you bring to the table from your background?

Mr. Williams: My team and I are company builders. Having my previous companies, we worked with the venture capital community to outsource company to build and staff small companies and startups all the way through their exit. I have the recruiting process and outsourcing background as well as the venture capital and investment background that has contributed to my company-building expertise.

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- Terry Williams

CEO CFO: What surprised you most as this company has developed?

Mr. Williams: It probably is not going as quickly as I would like it to, but I am more surprised at how long it takes to get through a due diligence and to get through a particular deal with a small service company. I thought that would go much quicker. Whenever companies and owners of companies are looking at parting with a part of their equity, it becomes a big decision and that means it takes a longer time to get through. We have learned that we have now created a platform to incubate and build our own companies. That brings a great deal of value to our investors because we already have back-office, executive leadership and company-building expertise. We can now go and find a former executive or entrepreneur and place them in this platform. We can go build a strong company where we will own a substantial part of that business. That is a nice surprise. The

bad surprise was how long it takes sometimes to complete a deal.

CEOCFO: What is ahead for CXP?

Mr. Williams: We continue to prove out this model and this platform. We will then launch on a national level.

We feel we can easily replicate this model on a national level.

CEOCFO: Why should the business and investment community pay attention to Cross X Platform?

Mr. Williams: The one piece that makes this is the unique business

model is the ability of companies to work as collaborative partners while maintaining their own profit and loss. I think that leads to why CXP is different and unique and why the CXP business model has a future.



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