

# Privileged Communications

## Who We Are

Privileged Communications is a legal technology startup focused on increasing law firm revenues by helping firms advance their clients' business interests. We believe that the world's top law firms possess a valuable, but often unrealized asset – the ability to introduce their clients to each other and to the clients of other top-tier firms. This capability, which could be monetized, is currently limited by an attorney's time, business development acumen and knowledge of clients' business needs. Our goal is to employ technology to enable attorneys, with minimal effort and time, to become a valued source of business opportunities.

## What We Offer

Individual attorneys know a lot about their clients' activities and business needs. Clients frequently ask their attorneys to make business connections. Attorneys are happy to oblige, provided they know a relevant contact. However, it is an *ad hoc* process. Privileged Communications takes this *ad hoc* process, systematizes it and makes it efficient. Moreover, we allow an attorney to go beyond his personal contacts and find other lawyers at elite firms around the globe whose clients have business opportunities of interest to his clients. These are people that the attorney will not find without an information technology solution to aid him.

## How We Generate Value

The Privileged Communications Network allows attorneys (on anonymous basis) to connect their clients to each other to facilitate their business interests. We do this through software that matches concrete business opportunities ("Deals") with companies and investors that have expressed an interest in such opportunities. When a Deal is placed on the network that matches a potential counterparty's interest (called an "Alert") the attorneys representing the two clients are notified. Those attorneys may then contact their clients and, if there is mutual interest, proceed to craft a non-disclosure agreement and commence negotiations. In the example below, a Chinese contract manufacturer with excess capacity is looking for new clients. A US design firm is seeking to lower its contract manufacturing costs.

- 1) Chinese manufacturer with excess capacity places an Alert on the network
- 2) US designer wishing to manufacture in China, puts a Deal on the System
- 3) Attorneys A and B Are notified that an opportunity exists for their clients
- 4) Attorneys A & B inform their clients, then proceed to a NDA and open discussions



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## **Benefits for Firms & Clients**

The Privileged Communications Network creates a win-win situation for clients and firms. By helping clients create new business opportunities, firms create new business for themselves. The result is better client relations and increased revenue. We believe there are five identifiable benefits for clients and five for firms that flow from the network.

Clients are able to: (1) gain access to new business opportunities that would be unavailable or difficult to find; (2) save on deal fees otherwise payable to a third-party advisor to identify opportunities; (3) obtain global reach through a network of people located in every major economic center; (4) obtain counterparty risk mitigation by knowing that a reputable law firm is involved with the potential business partner; and, (5) access opportunities traditionally underserved or ignored by third-party advisors (such as bankers) due to a lack of deal fees associated with an opportunity (such as helping to create a joint venture).

Firms are able to: (1) improve client relationships by becoming a source of new opportunities; (2) generate new business for the firm when they create new business for clients; (3) monetize undiscovered opportunities within the firm; (4) tap the personal networks of partners and associates on behalf of clients; and, (5) save time and money on business development expenses by having a system where opportunities are shared in an efficient manner.

## **Confidentiality, Security and Use**

We have built the Privileged Communications Network with three principles in mind: (1) confidentiality, (2) security (at the same level as that of each firm on the network); and, (3) minimization of attorney time.

We have designed the system to prevent confidential information from ever being passed from a firm to Privileged Communications. The system is split into two parts, with one part (where a deal's information is stored) residing on the firms' servers, behind the firms' firewalls and completely controlled by the firms' information technology personnel. When a match is to be made, all information that could identify the client is stripped out before being sent to a central server that performs the matching.

We have designed the system to require minimal time from the attorneys. Clients, although unable to see deals on the system, may enter deals into the system. Similarly, clients may create Alerts without involving an attorney. It is only when a match is found between a Deal and an Alert that an attorney is required to act, and the sole action required is to call or e-mail the client and inform him that a new business opportunity, matching his needs, has been placed on the network.

## **Return On Investment**

The ROI on the Privileged Communications Network is transparent. Each firm can see all of its relevant metrics – number of deals on the system, user activity, successfully completed deals, etc. From a pool of potential deals, management can see how many result in new deals which, in turn, result in new matter numbers. The firm can then easily quantify the value of the network based on the revenue those matter numbers generate.