



Formation, Launch & Management Services Proposal

Prepared for ID Pro

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About Virtual

Founded in 1999, Virtual, Inc. is based in Massachusetts in the United States. We currently manage business and technology operations for over 40 trade associations, consortia, alliances, working groups, professional societies, advocacy organizations and open source software initiatives. Day to day, we work with hundreds of leading companies and thousands of individuals around the world on organizational strategy and operations. We currently have a staff of 100-plus professionals in the U.S., Canada and Europe, and we specialize in managing operations for technology-focused associations — those with annual revenues up to \$25 million. In addition to running operations, our clients often rely on Virtual for:

Formation and Launch Support – We have started more than a dozen organizations from concept through launch and continuing operations. And as times have changed, we have helped our clients evolve and launch new offerings to address new market realities;

Strategic Counsel – In addition to running day-to-day operations, we typically partner with Boards of Directors to formulate long-term and short-term strategies. We have helped to launch more than a dozen groups from scratch and have helped to turn around or reposition others;

Specialized Knowledge – No other association management company better understands how to make technology-focused standard-setting organizations, professional associations and advocacy organizations more successful. With services from finance and accounting to marketing and certification program management, our track record in this field is unsurpassed.





How We Are Different

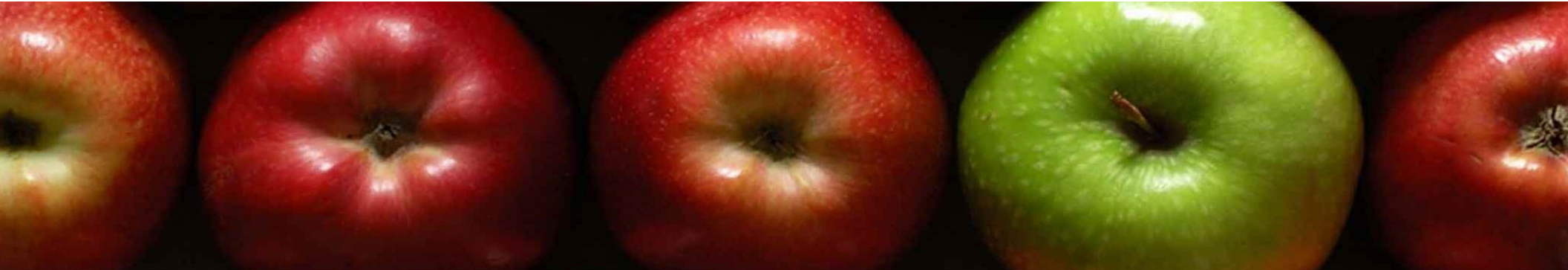
Virtual is differentiated from other association management companies in several key ways:

Technology Expertise – Everything we do, from managing finance to member communications, is built on a framework of advanced technology. That framework supports efficiency, empowers staff, eliminates waste and encourages member collaboration and innovation. No other association management company has our track record of pairing state-of-the-art systems with efficient, well-trained staff to help turn association vision into success;

Marketing Savvy – No association management company better understands how to market membership organizations, communicate with constituents and influence external public groups. Virtual has won more than 50 global, national and regional awards for client marketing and communications program excellence;

Best Practices Advancing Non-Profit Operations – Every day we work to push the envelope and advance non-profit best practices to ensure that our clients' operations are state-of-the-art. While it is not possible for you to evaluate every service area in depth, we believe it's valuable to at least take an in-depth look at our finance and accounting operations and membership services practice.





Services Proposal Overview

ID Pro aims to professionalize the technical discipline of online identity management. Virtual believes its depth of experience and expertise makes it well suited to drive the organization toward launch and also lead it to success outcomes on an ongoing basis. Our proposal has two parts, as follows:

- **Drive Formation and Launch:** Virtual has helped form and launch dozens of successful technology trade associations. During this first phase, we will work with ID Pro stakeholders to ensure alignment on the strategic plan and goals for the organization; incorporate the group; and create a turn-key operational infrastructure.
- **Ongoing Management Services:** Virtual is hereby proposing a suite of services by which it will drive and manage ID Pro operations post-launch. These services are based on prior discussions with ID Pro stakeholders as well as Virtual's experience in running organizations of similar size and activity levels as ID Pro. However, during the Formation and Launch phase, Virtual will work with ID Pro stakeholders to ensure the ongoing management services are well-aligned to ID Pro priorities and budget.

As a full-service association management company, Virtual offers a wide range of services not proposed here. More information on those services can be found on Page 21.

Drive Formation and Launch

Drive Formation and Launch

(One-Time Fee: \$10,000)

Virtual will partner with ID Pro stakeholders to formalize the formation of ID Pro and launch the organization and membership:

- **Document the ID Pro Strategic Plan:** This document will specify in detail what ID Pro seeks to do, and how it plans to achieve those goals. A straightforward strategic plan is critical to ensure alignment among key founding members and the prioritization of resources and funding.
- **Build Year-One Operational Budget:** Plans, structures and membership models are best not created in a vacuum; in reality, they need to be at least partly informed by the financial needs and/or constraints of the organization. Virtual will work with ID Pro stakeholders to develop a first-year budget inclusive of the many expenses and items that associations need to consider in their fiscal planning. This includes a plan to pay back any monies owed to Kantara Initiative.
- **Develop the Membership Model and Value Proposition:** In parallel with defining the governance structure for the organization, Virtual's team will work with ID Pro stakeholders to build a membership model ideal for its work and financial goals. The membership model will also specify the value proposition for the various levels of membership, to ensure positive outcomes in attracting and retaining members.
- **Incorporate the Organization:** While we do not retain lawyers on staff, Virtual can leverage its depth of best practices and experience in forming dozens of associations to help put together the necessary go-forward legal and governance documents. Member or outside counsel will still be needed to perform some incorporation tasks (at costs additional to this proposal), but Virtual's work here will both save ID Pro legal costs and the frustrations of dealing with suboptimal governance documents or processes.
- **Operations Director:** While numerous members of the Virtual team will be engaged in the Formation and Launch activities for ID Pro, Virtual will assign an Operations Director to ID Pro to project manage all launch activities and to serve as the primary point of contact between ID Pro and Virtual.

Headquarters and Technology Start-Up Services

- Set up legal mailing address, receive and distribute printed mail; forward email to appropriate staff
- Set up dedicated phone number and call routing to the Partnership for Conservation account team at Virtual
- Transfer electronic files to maintain inventories of key documents including corporate and legal records, membership files, and other electronic materials

Finance and Accounting Start-Up Services

- Set up Partnership on QuickBooks enterprise system, on Virtual secure network
- Set up remote access to Partnership staff as needed
- Notify vendors and contractors of remittance change for accounts payables
- Establish basic operating bank account including electronic ACH payment system
- Develop Chart of Accounts in conjunction with the Partnership's leadership
- Set up custom partnership invoice template, for new and renewal members
- Develop budget template and financial reporting package
- Integrate existing Partnership processes into Virtual team work flows

Membership Start-Up Services

- Develop membership materials including a membership application
- Establish onboarding processes and welcome kit
- Create necessary infrastructure and tooling for tracking members

Ongoing Management Services

Operations Director	Monthly Professional Fees
<p>Virtual will assign an experienced account lead into the organization who can help ID Pro achieve its goals and objectives. Specific areas of engagement will include:</p> <ul style="list-style-type: none"> • Provide guidance and routine input around governance association best practices and overall strategy • Coordinate and align the various services provided by Virtual into ID Pro • Help focus the key stakeholders of ID Pro in enlarging and expanding the organization • Participate in standing calls with ID Pro leadership to ensure smooth operations across the organization and that progress against strategic objectives is being made • Attend Board of Directors meeting and provide core secretariat services (e.g., meeting agenda preparation, meeting minutes) • Serve as ambassador and a main conduit of information between ID Pro and its members 	<p>\$3,500</p>

Finance and Accounting Ongoing Services	Monthly Professional Fees
<ul style="list-style-type: none"> •Handle and process vendor bills, expense reports, and other accounts payable as required •Create member invoices for both new members and renewals •Manage receipt and processing of member payments via check deposit, wire transfer or credit card •Reconcile bank and merchant accounts •Publish monthly financial reports including balance sheet, cash & accrual P&Ls, actual vs. budget performance, and summary receivable and payable sub-ledgers •Maintain cash forecasts on a regular basis •Guide organization through its annual budgeting process •Provide support to/from CPA firm as requested for year-end tax close, tax prep and audits* •Retain all financial records •Provide read-only access to QuickBooks enterprise •Systematic strategic review by Finance leadership of actual vs. budget including monthly performance narrative <p><i>If grant accounting is required, fees are subject to change</i></p> <p><i>Independent audits and tax preparation services are handled through outside parties and would be billed directly to client by the CPA firm. Facilitation of independent audits will be managed as an out-of-scope project and quoted separately.</i></p>	<p>\$2,500</p>

Membership Ongoing Services	Monthly Professional Fees
<ul style="list-style-type: none"> • Field all inquiries from prospective members – route to appropriate ID Pro resources as necessary • Process all new member applications per agreed upon steps • Maintain the Partnership’s membership roster • Add members into ID Pro’s collaboration system and onto email lists, as applicable • Coordinate the annual renewal process, with follow-ups and reminders prescribed per established ID Pro policies • Ensure the listing of members on the ID Pro public website is accurate and up-to-date 	<p>\$2,000</p>

Website Support	Monthly Professional Fees
<ul style="list-style-type: none">• Management of website hosting and vendor relationship• Management of domain name(s), DNS services, SSL and registrations• Management of website and database backups• Routine updates and content changes on the ID Pro public website <p><i>Note: Fees do not include: Web hosting fees, software licensing fees and/or domain registration costs.</i></p>	<p>\$750</p>

Headquarters and Technology Ongoing Services	Monthly Professional Fees
<ul style="list-style-type: none"> •Provide legal headquarters address •Maintain mailing address, receive and distribute all printed mail and courier shipments •Use of Virtual phone system, including a phone number and call routing to Virtual account team and account team voicemail accounts •Provide first response and forwarding of phone calls, emails, faxes •Maintain electronic files and inventories of key documents, membership files and other electronic corporate and legal records •Manage up to three general administrative email account (forwarding to Virtual staff) •Manage mail server and individual Exchange accounts for Virtual staff •Provide technology solutions to all Virtual account team members, including hardware, software, training, technical support •Provide on-site meeting facilities for groups of up to 15 individuals 	<p>3.5% of professional fees</p>

Summary of Proposed Fees

Service Area	Proposed Fee
Drive Formation and Launch	\$10,000 (one-time fee)
Ongoing Management Services	\$9,000 (per month)

Expenses

Out-of-pocket client expenses, including such items as travel, hotel meeting facilities, printing, press release distribution services, event and credit card related transaction fees, legal fees, CPA fees for audit or tax preparation, web hosting fees and/or licensing fees for association management software or customer relationship management software solutions, will be billed to the client at actual cost.

Telecommunications and data communications expenses (phone calls, internet service, efax, etc.) incurred by Virtual staff on behalf of client are billed at .75% of the monthly professional fee.

Independent audits and tax preparation services are handled through outside parties and would be billed directly to client by the CPA firm. Facilitation of independent audits will be managed as an out-of-scope project and quoted separately.

VAT management and recovery specific to international events will be quoted separately. Typically the cost of our VAT services are covered by the reclaim of tax that we obtain for our client, while ensuring that they are compliant with in-country tax law.

This list does not anticipate all expenses; extraordinary expenses will be estimated and submitted for approval before they are incurred.

Management Team

Bruce Rogers – Founder & Chairman

Bruce launched Virtual, Inc. in 1999 after a decade of building and running an award-winning public relations firm. He has provided leadership and counsel to associations in technology and other industry sectors, and he has worked with founders to initiate more than a dozen industry associations. Under Bruce's direction, Virtual's client programs have garnered more than 50 national and international awards for management, marketing and communications excellence. Before starting his own PR agency, Bruce worked for the global public relations firm Burson-Marsteller, and earlier managed corporate public relations for Lotus Development Corp. He has a bachelor's degree from Colby College, and a master's degree with distinction from Boston University.



Andy Freed – CEO & President

As Virtual's CEO and President, Andy oversees the company's client teams, along with the organization's overall service quality and management practices. He has more than 20 years of experience working with associations, non-profits and political organizations, and he has managed a wide range of entities, from small startups to multi-million dollar organizations with members spread throughout the globe. With Virtual for the past 16 years, Andy previously served as Vice President and CIO of the Massachusetts Hospital Association. He is a graduate of Harvard College, and he received his master's degree in public policy from Harvard's Kennedy School of Government.



Terry Lowney – COO

With Virtual for 13 years, Terry manages all internal company operations, and spearheads client financial operations, including budgeting, AR and AP management and all work with outside auditors. She has 25 years of finance, accounting and management experience gained at a broad range of organizations, from startups to billion-dollar multinational corporations. Terry has worked extensively with independent accounting firms — including the nation's largest and smaller, more specialized practices. Previously, she managed a multi-geographic staff of more than 60 people and an annual budget of more than \$6 million. Terry attended Northeastern University, where she majored in accounting.



Management Team

Greg Kohn – Executive Vice President

Greg leads Virtual’s client service team, where he oversees strategy and service delivery across Virtual’s diverse portfolio of client organizations. In this role, Greg leverages his depth of experience in running association management operations and leading a myriad of technology-based associations in various stages of maturity. His areas of expertise include strategic planning, association management best practices, non-profit governance and technology application. Greg also applies particular focus toward Virtual’s technology consortia and standards-setting practice, where he draws upon his long-term involvement in guiding technology standardization and conformity assessment activities. He represents Virtual, Inc., in a number of standards-related industry groups, including ANSI and the Standards Engineering Society. He is also an active member of the American Society of Association Executives (ASAE). Greg joined Virtual, Inc. in 2011, following a 13-year stint at the IEEE, where he served in numerous leadership roles for the IEEE Industry Standards and Technology Organization (IEEE-ISTO) and the IEEE Standards Association. He earned a bachelor’s degree from The College of New Jersey and a master’s degree from the New Jersey Institute of Technology.



Kathy Gallagher – Senior Vice President, Strategic Initiatives

Kathy leads Virtual’s process improvement team, ensuring that Virtual is at its best in service delivery to all of our clients and oversees our Web & Applications team. Kathy has nearly 30 years experience primarily in financial, high tech, consulting and marketing industries driving engineering, business process improvement, project management and operational efficiency. Kathy joined Virtual most recently from Epsilon, prior to that she held management positions at Progress Software, Monster Worldwide, and John Hancock Financial Services. She also has experience with several smaller dot com organizations. Kathy earned a bachelor’s degree in Finance & Economics from Aurora University in Illinois and an MBA, in Management Information Systems from Bentley College in Waltham Massachusetts.



Management Team

Thomas Pappas – Senior Vice President of Finance & Administration

Tom is responsible for the management of Virtual's Finance & Client Services teams who provide those services to Virtual's clients. Tom earned a bachelor of science in business administration from the University of New Hampshire and a master of science degree in accountancy from Southern New Hampshire University. Tom has accumulated 28 years of finance and accounting experience in various industries such as media, broadcasting, food distribution, retail and most recently as the head of finance and accounting for two notable Boston non-profit 501(c)(3) organizations.



Christina Zagami – Director of Financial Reporting

Christina joined Virtual in 2009, bringing 18 years of experience from the technology sector. At 3Com Corporation/Chipcom, she held various finance and supply chain positions, culminating in a business operations role overseeing all the databases that fed the company's automated financial reporting tools. Christina holds a bachelor of arts degree in finance from Suffolk University. As the Director of Financial Reporting, she provides leadership in all aspects of Virtual's client financial reporting, and she helps clients develop and maintain appropriate methodologies that ensure data integrity and compliance with generally accepted accounting principles.



Kris Lantheaume – Client Controller

As Client Controller, Kris partners with clients to oversee their financial health and translates financial data into information for developing and implementing sound business strategies. She has over 15 years experience in finance and accounting and held previous positions at Massachusetts Institute of Technology and KPMG. Kris earned her bachelors degree at McGill University, an MBA from Simmons College and a master's degree in accountancy from Boston College.



Management Team

Ruth Cassidy – Senior Vice President, Communications

Ruth manages all strategic marketing and public relations programs for Virtual’s clients. She has been with Virtual since 2006, and has over 25 years of technology industry experience. Under Ruth’s guidance, the NFC Forum was listed in the top 10 technologies by both CNN and Forbes. Prior to Virtual, she ran her own award-winning PR practice for more than a decade, working with C-level executives to establish brand recognition, generate positive media coverage, increase sales leads, and build customer references. Ruth’s background includes 15 years of senior management positions at global PR firms and major high-tech corporations. She received her bachelor of arts degree, *summa cum laude*, from Boston College, where she was also inducted into Phi Beta Kappa.



Deborah Leland – Senior Director, Global Applications and Web Development

Deborah has more than 20 years experience in the technology industry specializing in managing enterprise projects and programs most recently at Progress Software and ZenSar Technologies. At Virtual, Deborah is involved in all phases of the project development life cycle and oversees ongoing operations of applications, web initiatives and technologies used globally by the company and its global clients. Deborah earned a bachelor's degree from the Isenberg School of Management at the University of Massachusetts in Amherst and a masters degree from Brandeis University. Deborah is also a Certified Project Management Professional (PMP).



Brant Picard – Director of Information Technology Infrastructure

Brant is an Infrastructure Technology Leader with more than 14 years of expertise in the healthcare, banking, financial and insurance industries. Brant’s skillset includes transforming corporate infrastructure from a startup approach into a scalable, redundant, enterprise architecture capable of sustaining the growth. His expertise focuses on the management of the corporate, hosted cloud and SaaS infrastructures. Brant holds a bachelor’s of science in information systems and a minor in finance from the University of Massachusetts at Lowell and is continuing to advance his knowledgebase in technology in the pursuit of his master’s degree in information technology.





Additional Services Available

In addition to the services included in this proposal, Virtual provides the following services to a growing list of non-profit organizations, trade associations, professional societies, consortia and forums, and open source projects:

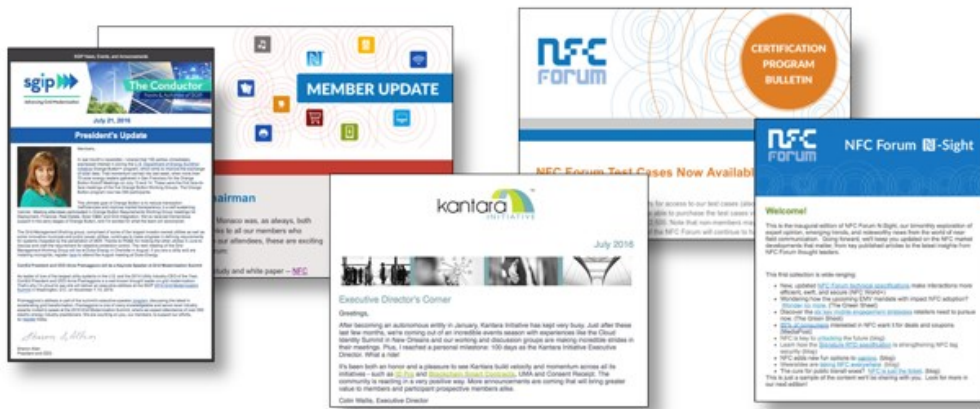
- Strategic planning consulting and facilitation
- Board support services
- Project Management
- Public Relations and marketing
- Event management services
- Training and certification management services
- Web and technology management services





Our Marketing Capabilities

Proven: Communications



Proven: Media Results





Communications Portfolio

Virtual provides full marketing and PR support for a variety of clients including professional societies, trade associations, and standard-setting organizations. Some examples:





Accreditation

In addition to the accolades that Virtual regularly receives from clients, the company has also been recognized for its quality of management services by the American Society of Association Executives (ASAE) and the AMC Institute, the trade association representing the association management industry.

Virtual was first accredited by ASAE's association management company accreditation program, from 2002 until that program ended in 2010. That same year, Virtual earned accreditation from the AMC Institute, now the sole accrediting body for the association management company industry. AMC Institute Accreditation is recognized and supported by ASAE & The Center for Association Leadership and is based on the American National Standards Institute (ANSI) Standard of Good Practices for the association management company industry.





Contact Us

ANDY FREED – President & CEO

Direct Telephone :: +1.781.876.6205
Mobile Telephone :: +1.781.248.2610
Email :: afreed@virtualmgmt.com

GREG KOHN – Executive Vice President

Direct Telephone :: +1.781.876.6275
Mobile Telephone :: +1.732.823.2077
Email :: gkohn@virtualmgmt.com

ALYSIA JOHNSON – Senior Vice President, Client Services

Direct Telephone :: +1.781.876.6281
Mobile Telephone :: +1.206.999.5580
Email :: ajohnson@virtualmgmt.com

VIRTUAL, INC.

401 Edgewater Place, Suite 600
Wakefield, MA 01880
Telephone :: +1.781.246.0500
Fax :: +1.781.224.1239
Website :: www.virtualmgmt.com