Fall 2016
PredictionWorks

The University of Texas McCombs Business School/IC^2 Institute Monitored Validation Tests
(all start-ups were VC/Angel funded and in business over 7 years)

Company Profiles	PW's Invest/ Don't Invest Decision and Score	Actual Results	Was PW's Forecast Correct or Not?
Product Development Management This new software company was developing a web based software solution for the product development community. Central to its solution was the assumption that the on-demand software industry needed a way to simplify, accelerate and collect the voice of the customer for the internal stakeholders.	**Don't invest** **59** (Category Circumstances) **57** (Product Scope/Scale) 70 is a passing score	Company **did not** generate any high ROI within 7 yrs through sale/IPO	Correct Forecast
J2EE Components for Enterprise Application Middleware This new software company was founded to develop products that automate J2EE application deployment and configuration. The company's software enabled fast, reliable server deployment while virtually eliminating configuration errors and accelerating the enterprise application development life-cycle. The company's product supported BEA Systems' Weblogic and IBM's Websphere. It also supported JBoss and Oracle application servers.	**Invest** **73** (Category Circumstances) **80** (Product Scope/Scale) 70 is a passing score	Company **did** generate a high ROI within 7 yrs through a sale	Correct Forecast
Vending Machine Management This new company thought it identified a market need for real-time remote decision/mobile data/information decision-support system to provide bottlers a way to get revenues higher and costs of operators minimized.	**Don't Invest** **50** (Category Circumstances) **60** (Product Scope/Scale) 70 is a passing score	Company **did not** generate any high ROI within 7 yrs through sale/IPO	Correct Forecast
Parking Facility Management This new software and hardware company developed patented software and wireless hardware systems to help small parking facility owners reshape the economics of parking facility ownership/management. The solution consisted of wireless sensors, mobile payments and voice-based transaction processing.	**Don't Invest** **47** (Category Circumstances) **56** (Product Scope/Scale) 70 is a passing score	Company **did not** generate any high ROI within 7 yrs through sale/IPO	Correct Forecast
Metering for SaaS Systems This new software company thought it could develop operational services manager (OSM) and a unified dashboard of operational support systems (OSS)/business support systems (BSS) for efficient SaaS delivery. The core technology was to enable configurable "generic (usage) metering."	**Don't Invest** **74** (Category Circumstances) **62** (Product Scope/Scale) 70 is a passing score	Company **did not** generate any high ROI within 7 yrs through sale/IPO	Correct Forecast

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Enterprise Social Business This new software company built technology that would allow enterprises to connect to and utilize the vast publicly available infrastructure of social networks and applications existing beyond their firewalls and allow enterprises to realize a whole new level of productivity. This company's solution required a layer of management and security that did not exist at the time, as well as a solution for integration of data across social applications and existing legacy applications.	**Don't Invest** **66** (Category Circumstances) **57** (Product Scope/Scale) 70 is a passing score	Company **did not** generate any high ROI within 7 yrs through sale/IPO	Correct Forecast
Gaming Network Processors This new hardware and software company created the world's first gaming network processor ("GNP"). This company's network card promised the hard-core online gamers a "faster-than-life" gaming experience. The company's GNP first industry standard UDP game API.	**Invest** **71** (Category Circumstances) **82** (Product Scope/Scale) 70 is a passing score	Company **did not** provide a high ROI within 7yrs from sale/IPO. **It did sell and the investors did get their capital back**, just no profit.	Partially Correct Forecast

Assessments where protocol was not followed*

Database Optimizer This new software company wanted to develop cache technologies to optimize database through-put. The company's drop-in software functions as a "tuner" relying on proprietary algorithms based on based on artificial intelligence heuristic known as "genetic algorithms." *Protocol was violated because the business plan was <u>not funded.</u> The entrepreneurs, for personal reasons, decided not to seek funding and launch.	**Invest** **75** (Category Circumstances) **75** (Product Scope/Scale) 70 is a passing score	This company won 2nd place in the UT Moot Court Business plan Competition. Founders did not launch for personal reasons.	Correct forecast based on the fact that the idea won 2nd place in UT Moot Court Business Plan Competition
Operations Performance Management ("OPM") This new software company developed a next generation version of corporate performance management ("CPM") software. The company's OPM system essentially integrated strategic reporting features on top of conventional CPM operating features. *Protocol was violated because the company only provided an executive summary and not a complete business plan that test protocol required.	**Invest if Strong IP** _____ **Don't Invest if no sign of strong IP, thus** **57** (Category Circumstances) **61** (Product Scope/Scale) 70 is a passing score	Company did have strong IP and did sell, producing a high profit	Correct forecast because company did have strong IP