



Vision

River Logic’s vision is to establish constraint-based modeling as a critical component of next-generation BI solutions, substantially enhancing the value to clients through new insights and providing partners a unique platform for rapidly developing new, high-value solutions.

Overview

Founded in 2000, River Logic, Inc. is a privately held technology firm. River Logic provides Corporate Performance Management (CPM) and advanced predictive modeling solutions. River Logic’s Enterprise Optimizer® (EO) technology platform supports a wide range of performance management solutions, including **Integrated Business Planner™** for consumer goods companies wishing to align day-to-day operations with business strategy to maximize financial performance; **Trade Promotion Optimization Planner™** for consumer goods companies that want to improve the return on investment of trade dollars at the strategic and planning levels; and **Integrated Delivery System (IDS) Planner™** for physician-driven hospital performance management.

Gartner

“There are some organizations that are improving corporate and financial planning processes (using CPM applications), but few have been able to bring together strategic, financial, and operational planning systems in a linked environment that supports enterprise-wide dynamic reforecasting and scenario simulation.”

– Nigel Rayner, Research VP, Gartner
“*Understanding the Four Stages of Performance Management Evolution,*”
November 2009

Strategy

River Logic partners with leading **Independent Software Vendors (ISVs)** and **Management Consultants** in their respective industries and areas of expertise to create and bring to market innovative solutions that are built on, integrate with, or embed the Enterprise Optimizer platform. These collaborative solutions satisfy enterprise planning and decision-making needs, generate new revenue in existing customer base, and provide further differentiation in a vertical or functional market. By leveraging EO, our ISV and Management Consultant partners can surpass competitors that have spent significant capital building analytical offerings.



Business Intelligence
ISV/Software Solutions

River Logic also partners with **System Integrators (SI)** to provide our customers with top-notch consulting, and integration and implementation services. System Integrators help our customers deploy EO-based solutions to maximize functionality and rapidly achieve a return on investment. Additionally, River Logic works closely with **Platform Partners**, such as Microsoft, to maximize the performance of solutions built on the EO platform and lower the total cost of ownership for customers.

Together with our partners, we’re providing customers around the world with industry-leading solutions and services that address critical business needs.

Enterprise Optimizer® Platform

Enterprise Optimizer (EO) is an enterprise planning and predictive modeling platform. It is the backbone of River Logic's corporate performance management (CPM) solutions: Integrated Business Planner™, Trade Promotion Optimization Planner™, and Integrated Delivery System (IDS) Planner™.

Enterprise Optimizer is built on Constraint-Oriented Reasoning (COR), an approach for quickly building high-value analytical solutions in complex problem domains. With COR, problems are specified as constraints expressed with an intuitive, natural language specification. The specification can combine multiple forms of constraint representations, including graphical, symbolic, quantitative, and relational. Unlike conventional approaches, where modelers use visual techniques to define and sequence equations, COR automatically generates mathematical representations of all system constraints **and their interactions**. This enables users to easily change the problem they are solving without requiring them to restructure any mathematical representations or redefine input and decision variables.

Enterprise Optimizer drives our differentiation and yields significant commercial advantages to partners and clients, including:

<p style="text-align: center;">Differentiator</p>	<p style="text-align: center;">Advantage to Partners</p>	<p style="text-align: center;">Advantage to Clients</p>
<p>Scalable, Holistic, Integrated Representation: model full financials, processes, and market constraints simultaneously without sacrificing complexity</p>	<ul style="list-style-type: none"> • Opportunity to develop white space solutions that leverage existing data and methodologies – from simple optimization to enterprise-wide solutions • Competitive differentiation for existing products and service businesses • Increase accuracy in representing a client's business 	<ul style="list-style-type: none"> • Make assumptions about business actions and understand the full economic consequences of the decisions • Align all stakeholders to common financial goals • Forward-looking detailed costing illustrates realistic behavior of costs vs. assumptions
<p>Embedded Expert Knowledge: unique analyses (marginal profitability, non-linear continuous curves, flexible attributes), data checks, infeasibility processing, seasonality</p>	<ul style="list-style-type: none"> • Support for high value optimization analyses • Enhance client value and differentiation with unique features 	<ul style="list-style-type: none"> • Optimize decisions to company constraints and financials • Marginal values quantify profit opportunities • Non-linear curves allow realistic representation of market behavior
<p>Visual Programming: natural language-based translation and mathematical representation requiring no programming or sequencing of equations</p>	<ul style="list-style-type: none"> • Minimize time to market • Lower cost of solution development and maintenance • Faster learning curve and client training • Build larger more complex cross-functional models 	<ul style="list-style-type: none"> • Extend planning solutions to include other applications, on a single platform • High-level of data integrity across model • Complex representations in easy-to-manage environment
<p>Robust Decision Support: modeling flexibility and fast scenario analysis</p>	<ul style="list-style-type: none"> • Solve for one or multiple objective functions without redefining equations • Cross-functional analyses with multiple overlapping input and decision variables 	<ul style="list-style-type: none"> • Effectively quantify trade-offs and set targets across all silos from a single representation • Understand root-causes • Capture and distribute knowledge of what drives value creation for your business and set priorities with this knowledge

Corporate Profile

Integrated Business Planner™

Integrated Business Planner helps consumer goods companies financially optimize their supply chains beyond simple demand supply match, even under rapidly changing business conditions.

With **Integrated Business Planner** companies can create a full-fledged, forward-looking financial plan on a weekly basis, including: P&L, Balance Sheet, and Cash Flow. They can also identify critical areas where plans are short of targets; the root causes underlying any variance; and course correction actions that can be taken to bridge the gaps between target and plan, as well as opportunities to exceed target. **Integrated Business Planner** helps companies ensure that all actions are balanced by performing holistic impact analysis.

Integrated Business Planner helps consumer goods companies:

- Import demand and supply plans and create weekly proforma financials
- Understand the true connection between demand volatility and its impact on net income by modeling cause effect relationships instead of assuming linear relationships like standard costing
- Highlight the areas of non-performance applicable to the role of the user (depending on whether they are an executive, business user, or a planner)
- Drill down to understand the root causes of non-performance and potential areas for improvement.
- Perform what-if analysis to explore alternative ways of bridging the gap between target and plan
- Collaborate with others in the organization (sales, operations, finance, planning)
- Publish the plan back into the system of record

Trade Promotion Optimization (TPO) Planner™

Trade Promotion Optimization Planner (TPO), developed through an alliance with Synectics Group, helps consumer goods companies improve the effectiveness of their trade spending by combining traditional predictive market-response analytics with constraint-based optimization in an easy-to-use planning solution.

Trade spending in the consumer goods industry, while at an all-time high, has failed to help companies achieve their objective – profitable top-line growth. Now more than ever, these companies need a solution like **TPO Planner** that will help them systematically analyze brand and account-level promotion strategies on an ongoing basis to ensure maximum return on trade spending.

"Integrated Business Planner has helped us gain fact-based analytic and decision-making capabilities by providing visibility into revenue and profitability performance. The solution has challenged us. We now spend less time collecting information and more time analyzing and getting value from it."

- Bill Cox, VP Manufacturing and Operations Accounting, Beaulieu Carpet

Gartner

"Integrating promotion planning with optimization to help users initiate the right promotion from the outset to improve outcomes, while reducing efforts involved in the process, represents a critical unmet need in the marketplace. The benefits of continuously optimizing trade campaigns to profit or minimum cost are particularly valuable in current economic times; companies of all sizes should be evaluating how to improve their trade promotion effectiveness."

- Dale Hagemeyer, Research Vice President

Trade Promotion Optimization Planner helps:

- **Sales and Marketing** personnel set volume, revenue, and profit targets and determine the best combination of promotional events for the upcoming planning period
- **Finance** personnel set brand and account-level trade budgets and prioritize incremental spend requests
- **IT** personnel leverage investments in existing information assets and trade promotion management systems

Integrated Delivery System (IDS) Planner™

Healthcare professionals working in integrated delivery environments use **IDS Planner** to make better decisions while maximizing resources.

IDS Planner collects, monitors, and evaluates hospital, practice, and physician activities, and then quantifies performance using operational and financial metrics. By clearly understanding each activity and its corresponding impact on the system, decisions can be optimized to improve the quality of care within operational constraints.

Understanding performance relationships (activity/resources/contractual relationships/cost/revenue) across the system enables physicians and administrators to optimize patient care while maintaining fiscal responsibility.

“Physicians need real time accurate data to understand the impact of their decisions on the cost of care delivery. With these tools, we can focus our attention where we have the most impact.”

- Dr. Mike Kissenberth, Managing Partner, SHCC

“We now can communicate with our physicians and truly integrate the hospital and physicians to provide our most efficient, high quality care. This will be the first tool where we can run “what-ifs” and get results to our P&Ls.”

- Don Pauley, Administrator of Department of Orthopaedics, Greenville Hospital System

IDS Planner helps Administrators:

- Quantify and improve physician activities in terms of cost and profit drivers
- Increase net billing levels and accelerate the care-to-cash cycle by identifying and correcting billing errors on a daily basis
- Define accurate financial impacts of referrals and ancillaries
- Improve performance using integrated models to track sources of activity; determine effect on resource utilization; and define financial impacts of contractual relationships
- Negotiate better contracts and terms with payers and suppliers to optimize investments

IDS Planner helps Physician and Physician-Chairs:

- Understand contributions in terms of system activity, utilization, and revenue and profit at the physician, sub-specialty, and practice levels on a daily basis
- Compare activity and financial performance at the physician, sub-specialty, and practice levels
- Forecast RVUs/compensation by case or by time period (daily, monthly, quarterly, year-to-date)
- Align treatment alternatives with payer compensation structures
- Collaborate with administrators on strategic and tactical decisions affecting the product line

IDS Planner helps C-Level Executives:

- Engage physicians and administrators in integrated care that optimizes system performance
- Leverage existing investments in EMR systems by increasing usage and improving data quality

Analyst References

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Leadership



Kevin Howe, *Chairman of the Board, President and CEO*

Mr. Howe has been active in the technology industry since 1983 as a founder of two firms and an investor and board member of dozens more. In addition to his RLI responsibilities, Mr. Howe serves on the board of Digital Generation and six privately held technology firms. Mr. Howe served on the Board of The Sage Group, plc for 14 years. Mr. Howe is the founder and Managing Partner of Mercury Ventures, a technology investment fund with \$100 million of invested capital in numerous private firms and over 60 publicly traded companies. Mr. Howe received his MBA from SMU and a BS from Northwestern State.



Robert C. Whitehair, Ph.D., *Founder and Chief Research Officer, Board Director*

Dr. Whitehair has led the development of River Logic's technologies and services since the early 1990's. His research involves theoretical and mathematical foundations of artificial intelligence, knowledge-based programming languages, knowledge-based decision support systems, and simulation and computational mathematics. Dr. Whitehair also worked as a Manufacturing Consultant for Arthur Andersen and in a variety of research and development positions for IBM, GTE, and General Motors. Dr. Whitehair earned his Ph.D. in Computer Science from the University of Massachusetts.



Carlos Centurion, *Senior Vice President*

Mr. Centurion comes to River Logic after 8 years with McKinsey & Company where he was a co-leader of McKinsey's High Tech Marketing and Sales knowledge development practice. Mr. Centurion also was the co-author of a series of reports on pre- and post-merger management for the Corporate Finance practice. He received a BA in Economics and a BS in Business at Wake Forest and his MBA from INSEAD in Fontainebleau, France.



Philip Higginbotham, *Vice President, Business Development*

Mr. Higginbotham has extensive experience providing business advice to corporate clients. After beginning his career as a corporate finance analyst, Mr. Higginbotham spent five years in management and restructuring consulting where he assisted in the reorganization of financially distressed companies in an array of industries. Mr. Higginbotham joined River Logic in 2004. He received his BS in Finance and BS in Civil Engineering from Clemson University and his MBA from NYU's Stern School of Business.

Corporate Profile



F. Shan McAdoo, *Vice President of Technical Development*

Mr. McAdoo has extensive experience in technology project management and coordinates all technology development projects for River Logic. Prior to joining River Logic, Mr. McAdoo held several senior level positions at leading software companies, including Oracle Corporation. Mr. McAdoo earned his Masters of Regional Planning at the University of Massachusetts in 1991.



Cyndi Nistico, *Vice President of Finance*

Ms. Nistico, a financial professional with nearly 20 years of related experience, is the head of Finance and Human Resources. Ms. Nistico, after earning her BBA in Accounting from SMU and becoming a CPA, has assembled an impressive resume with a number of companies, including Price Waterhouse, Sage US, Pearle Vision, Nova, Red Bull and the JCR Group.