



ExamSoft Worldwide, Inc. Case Study



ExamSoft Worldwide, Inc., a Florida company, incorporated in 1998, was founded by Stewart Wallace and George Wolf with the mission to provide a proprietary Computer Based Testing software application for the administering of vital exams where a grade or certification is received. The founders' primary goal was to increase exam taker convenience by allowing them to use their computers, while, at the same time, ensuring the exam administrator's requirement for ease-of-use, security, and reliability.

Background

The company made a strategic decision to focus its efforts in the education vertical, specifically serving the legal industry. This approach was a conscience effort to gain the acceptance of one of the most stringent and scrutinizing sectors, law schools and state bar examination administration offices in the United States. With over a 66% penetration rate within the US state bar segment and over 50% penetration within US and Canadian law schools, ExamSoft has become the leading Computer Based Testing (CBT) provider for vital exams in the legal market.

ExamSoft provides a complete suite of secure proprietary applications for creating and delivering examinations and collecting results via the Internet (**Flex-Site™**). In order to use Flex-Site™, the exam takers and administrators need only to be connected to the Internet at the time of downloading and uploading the exam or final answer set. This capability eliminates the risk of a catastrophic failure such as the infamous incident another CBT provider experienced during the July 2007 bar exam when hundreds of the 5,000 candidates using laptops watched in horror as answers to their essay questions disappeared.

Flex-Site™ manages the entire exam administration process through the integrated use of a software suite including **SoftTeach** (Item Writing, Exam Authoring and Exam Distribution), **SoftTest** (Computer Security, Exam Accessing, Writing and Return), **SoftScore** (Results Scoring, Computing/Reporting and Archiving) and ExamSoft's Web Management Tools which enable administrators to easily create a Custom Home Page. **Flex-Site™** was first released in 2002 and has become not only the most widely distributed and used program within the US legal assessment channel, but also the benchmark and the industry standard operating procedure for CBT examination delivery.



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Significant channel expansion opportunities exist for ExamSoft. For the past ten years, the company has focused its efforts on building its reputation within the professional legal community. This goal was certainly accomplished with ExamSoft now providing CBT capability to over 125 law schools and over 33 State Supreme Courts encompassing 38 credentialing entities as customers. Given the company's success, reputation, and capabilities, there are a number of complimentary channels which have not yet been explored, including medical, nursing, and other high-stake examinations.

ExamSoft has a long history of consistent and profitable financial results.

ExamSoft and the Littlebanc Team

ExamSoft was originally founded to be a retirement annuity for its founders, generating enough free cash flow to pay its founders sufficient money for retirement. When the founders decided in 2009 that the time had come to retire, they were faced with the issue of trying to sell their very successful company in one of the worst economies since the Great Depression. They knew that to get what they should for ExamSoft with a 100% cash transaction that they would need a very talented Investment Banking team. They also knew of just such a person and team, Michael Margolies and the Littlebanc team. The Littlebanc team worked with minimal involvement from the founders and created a winning strategy and financial book. The Littlebanc team quickly developed a number of qualified buyers and was able to deliver exactly what the founders wanted in less than four months from start to finish.

"My partner and I were very proud of what we had accomplished with ExamSoft. We had built an incredible company with tremendous future potential. We knew that we should retire in 2009, but we did not want to sell ExamSoft at a "depressed economy" price. As we discussed how to accomplish our seemingly inconsistent goals, Michael Margolies and the Littlebanc team came to mind as the people who could get the job done for us. We were not disappointed."

*Stewart Wallach, Chairman and co-Founder
ExamSoft Worldwide Inc.*