



HR ALLOY
Advanced Qualification Management System™



HR Alloy 2006 Media Kit





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Company Background

Headquartered in Montreal, the firm was originally established as SHS, Inc. in 1993 to provide custom recruiting software applications for HR firms. The company's extensive experience with both the process and content of recruiting software, combined with an innovative, modular approach to development, led founder Paul Blanchard to create a new entity in 2004: HR Alloy.

The company has been extremely successful in our Canadian home market, and also serves clients in the U.S., including one of the world's largest HR consulting firms. As we expand into the U.S. market, we look forward to sustaining this level of innovation while bringing our solutions to a much larger market.

Company Description

HR Alloy is the only provider of advanced qualifications management systems (QMS) for HR professionals, which enables both process automation and authoring of the full staffing and assessment cycle. The platform is built on a unique development language (QPEL) and database structure that allows for any number and mix of modules with combined scoring algorithms – delivered on the fly via web access.

Executive Leadership Team



Jean-François Gauthier — CEO

Mr. Gauthier is a technology strategy and innovation management expert. He has extensive experience in fostering sustained corporate success and growth through a focus on superior customer service and aggressive investment in R&D.

Gauthier has advised the executives of 3 of the world's 5 largest technology companies as well as several other Fortune 100 companies and software startups. Prior to joining HR Alloy, he was a partner with TSG Partners, a strategy and corporate finance consultancy. He previously founded Rapid Insight, and worked for Analysis Group, a firm long associated with some of the world's leading technology strategy academics, and Booz-Allen & Hamilton. He received his MBA from Harvard Business School and studied marketing at McGill University.

Paul Blanchard — Founder and CTO

Mr. Blanchard founded HR Alloy (previously SHS, Inc.) 13 years ago to develop testing software solutions for HR professional services firms. An expert in executive recruitment and human resources technology, he is a leader in the development of web-based HR technology and services. In the early 90's he developed one of the first computer-based testing tools for industrial/organizational psychologists. Mr. Blanchard's long experience working with HR professionals leads to a deep understanding of their diverse and complex needs, and an unmatched ability to translate them into tailored, easy-to-use technology solutions.

Prior to founding HR Alloy Mr. Blanchard was an entrepreneur and consultant in other software and high-technology sectors.

Carl Benscoter — VP, Business Development

Mr. Benscoter is a veteran consultative sales leader who focuses on strategic selling solutions. His long-time background working with both the financial services industry and large HR consulting firms has given Carl an appreciation and understanding of the importance of client relationship management.

Benscoter spent the past two years with Caliper, a highly regarded personality test vendor, and prior to that he led the eastern region sales team of Development Dimensions International, Inc. (DDI). Mr. Benscoter is certified in coaching, strategic leadership, negotiation skills and behavioral interviewing. He received a B.S. in Business Administration from Ashland University.



Donna Lehman — VP, Marketing

Ms. Lehman is a longtime marketing executive and consultant for HR companies. She brings a deep understanding of HR service firms, and of how technology solutions can create value for them by enabling scalability and new revenue opportunities. She specializes in growth strategies and directions for established firms and innovative young companies. She has particular expertise in mapping marketing strategies in emerging areas and in developing close and enduring relationships with a company's client base.

Before joining HR Alloy, Lehman founded B-to-B marketing consultancy MarketUP, specializing in early-stage and established technology companies in the areas of screening and assessment, candidate management, and retirement services. She has also served as marketing director for HR consulting



leader DDI, Internet recruiting pioneer iSearch, and investment giant TCW Group. In these positions she developed a deep understanding of the HR market and its technology issues, and managed corporate branding, public relations, and all aspects of marketing for multiple product launches.

Normand Rivard — Head of Finance

Mr. Rivard brings a broad range of expertise in the management and financing of private and public high-technology companies. He is a dynamic and results-oriented leader with a strong track record in managing complex projects. He specializes in helping promising companies manage their growth as they scale up their operations and expand into new markets.

As Vice President, Finance for the successful e-prescription firm MOXXI Medical Inc., Mr. Rivard raised \$4.5 million (USD) to grow the company from a McGill University research spin-off into one of the leading competitors in its field. Previously, he helped NSI Global acquire and integrate Vistar Telecommunications through more than \$50 million (USD) in equity financing, transforming them from a niche player into a truly global company and tripling their revenue. He has also served as head of finance for software firms Speedware Corporation and OmniTicket Network, presiding over successful large-scale restructuring, acquisition, and expansion initiatives.

Fast Facts About HR Alloy

1992 Founded by CTO Paul Blanchard as SHS, Inc. (software developer)

1999 Moved to specialization in recruitment, assessment and candidate management systems

2002 Began development of Q-PEL™

2004 Changed name to HR Alloy

2004 Released 1st version of online qualification management system

2004 Awarded grant by Canadian government for exceptional R&D

2005 Released v2.0 QMS™ platform

2005 Expanded leadership team

Montreal based company with U.S. offices in Atlanta

Now processing over 20,000 assessments per month

Bi-lingual delivery, English and French

First Qualification Management System (QMS™)



MEDIA RELEASE

HR Alloy Names Key Leader for Business Development Team

QMS™ technology leaders tap Carl Benscoter to head sales expansion

MONTREAL, QC — December 22, 2005 – HR Alloy, the industry pioneer in qualification management systems (QMS™) for HR professional services firms, has announced the addition of industry veteran Carl Benscoter to lead their business development team. Benscoter comes to HR Alloy from Caliper and Development Dimensions International (DDI), with extensive experience creating relationships with clients and partner companies, and expects to build on recent sales momentum during a period of rapid growth.

The move is a natural fit for Benscoter, who is an experienced sales leader as well as a long-time consultant to the financial services industry. “I was introduced to this company six months ago, and have been impressed with how smart and effective their solution is,” explains Benscoter. “I’m equally passionate about how that technology can be used to create extraordinary solutions that help our clients. It’s all about the relationship, being a good partner and delivering something that creates value. HR Alloy does it best, and I’m thrilled about being part of their team.”

Assessment expertise for HR consultants

As Vice President of Business Development, Mr. Benscoter will head the company’s sales organization to promote QMS and VSA, their innovative qualification platform and simulation authoring tool launched at the end of last quarter. HR Alloy serves human resources professional services firms only, working with them to deliver specialized solutions to their end clients.

According to Benscoter, “It’s clearly the best solution in the industry right now and truly helps our clients focus on delivering the best to their clients.”

Besides his enthusiasm for the HR Alloy vision and his strong business development background, Benscoter’s organizational assessment knowledge complements the real-world expertise that is the key to their success. “We consider ourselves the experts in this space,” says J-F Gauthier, HR Alloy’s CEO. “Our people share a level of expertise in business process consulting, software development, and HR services that’s unmatched in our industry. Carl’s experience as a sales leader, consultant, and his past experience with online technology makes him a unique addition to the executive team.”

ABOUT HR ALLOY

HR Alloy is the only provider of an advanced qualification management system (QMS™) and Virtual Simulation Authoring (VSA™) for HR professionals, which enables process automation, authoring and delivery of complete recruitment and assessment systems. Their unique, recruitment-specific business process language allows them to implement selection systems to meet specific organizational needs with unmatched speed and ease.

Their international client-base includes Right Management Consulting, Inc., FurstPerson, Inc., PSL (Psychometric Services, Ltd.), and SPB Organizational Psychology, Inc.



MEDIA RELEASE

HR Alloy Brings 3D Interactive Simulations within Reach for HR Consultants

Latest addition to QMS™ technology platform enables assessment authoring in rich media environment

MONTREAL, QC & CHICAGO, IL — October 19, 2005 – From the 2005 HR Technology Conference and Expo in Chicago, HR Alloy, provider of the first advanced qualification management system (QMS™) for human resource professionals, today unveiled its Virtual Simulation Authoring (VSA™) module, the latest addition to an already robust technology platform designed to change the face of online assessment authoring and candidate management.

The new VSA application is built on Q-PEL, the same rules-based architecture and flexible development language announced last month by HR Alloy. It is a web-based modular add-on to the HR Alloy qualification management system (QMS™), and can also function as a stand-alone application. Initial set up time can be done in only a day, with user training completed in hours. No other system allows such rapid development of assessment simulations in a realistic 3D environment.

"I've been waiting for a feature-rich, affordable tool like this to come along for a couple of years now. In fact, I thought I might have to design one myself," stated Dr. Charles Handler, president of Rocket-Hire and author of the *Online Buyer's Guide to Web-based Screening and Assessment Systems*. "Simulations are the wave of the future because we've shown they are the most effective instrument for predicting job performance. Most of the simulations in use are expensive to produce and delivered in-person. Online ones take months to develop at a very high cost or are too simplistic. The creation of this product is very exciting news to those of us who understand that simulations represent an important component in the future of employee selection."

The use of VSA technology is a breakthrough in the world of employment assessment. It will allow test authors and consultants with assessment design skills a range of control and flexibility they have not had access to until now. It will ultimately reduce costs for finding more accurate candidate-job matches.

SIMULATION EVENT MANAGER

Virtual Simulation Authoring (VSA) is a module that includes a simulation event manager allowing control over various realistic work environments. It utilizes a sophisticated text-to-speech for creating endless new situations. Importantly, it works over the Internet in an unproctored environment, so the need to travel to a specific assessment center has been eliminated. VSA is highly secure, connecting to the larger QMS and the complex algorithm scoring engine for inclusion of results in an overall selection process. With these features, HR professionals like organizational psychologists benefit from using a single system for building assessments to qualify candidates at any job level.



USE OF SIMULATIONS ON THE RISE

Workforce Management reported from several sources, including global consulting firm SHL, increased use of simulations particularly for call centers, manufacturing, sales and health care. Most online models are limited to onscreen text messages and pre-recorded voice scenarios. More complex simulations are designed for use in-person, often in expensive assessment centers designed for executive level positions. Cost quotes run from \$50 for entry-level jobs to \$7000 per person for executives, with setup fees ranging from \$10k to \$100's of thousands.

"HR Alloy has been working on this solution for five years. We've helped our customers expand the scope of their business with custom solutions in the past. With the release of Virtual Simulation Authoring, we are putting a whole new level of control in the hands of our clients," said J-F Gauthier, CEO, HR Alloy. "We look forward to delivering further value to our customers including cost reductions, increased productivity and accuracy of hire."

CREATING ACTION

VSA begins with a set of common work backgrounds simulating an office or a meeting room that can be customized within the program using color, texture, even specific company logos. The environment is populated with avatars, the term used for computer generated graphic images representing a person. Avatars can be customized as well to fit specific situations. Finally, natural sounding text-to-voice technology provides the means to write a script and have an avatar speak that phrase without the need to pre-record various combinations or possibilities. If the simulation needs to be modified, a user can simply go into the VSA module and type in new text.

This type of complex simulation modeling has been used by entertainment, architectural, manufacturing and even retail companies like Starbucks to imagine what-if scenarios or plan space. However, measuring the actions, reactions and decisions of characters within the space – then scoring that – is an entirely different technology.

GAME ENVIRONMENT PLUS PREDICTIVE VALIDITY

While the use of avatars set in a realistic 3D environment may seem to some as too gamelike for employment screening, HR Alloy's VSA is a serious tool built on a dozen years of experience with psychometrics. While a user is in the simulation, the system is recording every action – and inaction – collecting nearly 20 datapoints that are saved in a complex scoring engine. Every decision made by the user, from clicks to response-delay, can be used to measure potential job success.

Dr. Wendell Williams, a well-known author and test developer, states that simulations are both effective and valid. "We've been able to measure improved results in the ability of a new hire to perform their job when simulations are part of the assessment process." Dr. Williams has created test and online simulation content for call-center positions based on HR Alloy's QMS technologies.

In addition, the American Psychological Association (APA) published an article by Warren Bobrow, PhD, saying, "There is some data that shows equivalence in validity between live and computer-based simulations (Bobrow and Strachan, 2003). As with paper-and-pencil tests, the



ability to administer valid, complex simulations via a computer represents a huge cost savings to organizations, and would make these types of tools available to more companies.”

HR Alloy Virtual Simulation Authoring (VSA) is deployed in Beta, and will be widely available by year end. Interested users can contact HR Alloy to schedule a live demo. Pricing for adding the VSA module to a QMS platform starts at \$7500/yr.

ABOUT HR ALLOY

HR Alloy is the only provider of an advanced qualification management system (QMS™) for HR professionals, which enables process automation, authoring and delivery of complete recruitment and assessment systems. Their unique, recruitment-specific business process language allows them to implement selection systems to meet specific organizational needs with unmatched speed and ease.

Their clients include FurstPerson, Inc., one of the fastest growing RPOs in the industry, Right Management Consulting, Inc. and SPB Organizational Psychology, Inc.

More information about HR Alloy can be found at: www.hralloy.com

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Media Release

HR Alloy Solidifies Expanded Executive Team

Technology provider for recruitment process outsourcing preparing for rapid expansion

Montreal, Quebec, September 28, 2005: HR recruitment process and assessment technology provider HR Alloy has established an enhanced leadership team to sustain their rapid growth. The company is the first to offer complete selection system authoring designed specifically for human resources professional service firms. After more than a decade of success in Canada, they are now poised to bring a new version of their core software platform, which offers unmatched flexibility and implementation speed, to a broader market.

“The response we have received from some of the largest HR consultancies and fastest-growing staffing firms has been very enthusiastic. I’m excited about the opportunity to lead a rapid expansion in the U.S., focusing on the relatively new Recruitment Process Outsourcing (RPO) field,” explained Jean-Francois Gauthier, the new CEO. HR Outsourcing Today reports the U.S. market for RPO is conservatively estimated at \$1 billion, within a broader HR outsourcing market of \$55 billion. It is expected to grow by 30% annually as adoption increases and the underlying technologies evolve.

Gauthier continued, “We have a unique service model in which we do not compete with our customers, which allows them to focus on their business while we enable exceptional delivery through our technology.”

SPECIALIZED FOCUS ON HR PROFESSIONAL SERVICES

The firm was originally established in 1993 to provide custom software applications for human resources firms. The company’s extensive experience with both the process and content of assessment software, combined with an innovative, modular approach to development, led founder and CTO Paul Blanchard to create a new entity in 2004: HR Alloy.

As Blanchard explains, “Our early work with industrial organizational psychologists and later large-scale hiring projects helped us develop over time a proprietary language which in turn led us to create a specialized platform for authoring, delivering and managing selection systems that support professional services firms’ RPO business. While we are very proud of our R&D accomplishments to date, the true measure of our success is the growth and productivity our clients experience.”

HR EXPERTISE, HIGH-GROWTH EXPERIENCE

The new executives bring a broad range of experience in management, finance, and marketing. CEO Gauthier provides seasoned technology strategy and innovation management expertise, having advised top executives at several of the world’s leading technology companies. Donna Lehman joins the team as VP of Marketing, bringing deep HR industry experience including executive marketing positions at both established firms and technology start-ups. Veteran CFO Normand Rivard has accepted a Board position as Head of the Finance Committee. He is an expert in raising capital and managing technology companies for sustained growth.



What the team shares in common is their core understanding of what's needed to build technology-based, sustained-growth companies. "This is not a simple business," says CEO Gauthier. "The hiring process is highly complex, while the psychology-based assessment content is very technical. Because the market is so sophisticated, a successful team must deeply understand the process, content, technology – and our clients' business as well. This extraordinary group of people can indeed do it all."

PAST SUCCESS, FUTURE GOALS

The Montreal-based company has been extremely successful in its home market, and is already serving firms in the U.S., including one of the largest global HR consulting firms. In 2004 the Canadian government awarded the company a grant for their research and development. The new leadership team looks forward to sustaining this level of innovation while bringing their solutions to a much larger market. They plan to launch their next product in October, a revolutionary tool for creating realistic multimedia job simulations with unprecedented speed and ease.

"Looking forward, the opportunities for this company are compelling," says Donna Lehman, VP, Marketing. "The use of automated screening and assessment has been growing slowly over the past few years, but need and adoption are increasing rapidly. Some of the stumbling blocks have been time and cost to build plus limited scalability. Now, with the increased capabilities of this flexible product suite and the specialized focus on HR consultancies, we're positioned to be very successful."

HR ALLOY LEADERSHIP TEAM

Jean-Francois Gauthier, CEO

Mr. Gauthier is a technology strategy and innovation management expert. He has extensive experience in fostering sustained corporate growth through a focus on superior customer service and aggressive investment in R&D.

Gauthier has advised the executives of 3 of the world's 5 largest technology companies as well as several other Fortune 100 companies and software startups. Prior to joining HR Alloy, he was a partner with TSG Partners, a strategy and corporate finance consultancy. He previously founded Rapid Insight, and worked for Analysis Group, a firm long associated with some of the world's leading technology strategy academics, and Booz-Allen & Hamilton. He received his MBA from Harvard Business School and studied marketing at McGill University.

Donna Lehman, VP, Marketing

Ms. Lehman is a longtime marketing executive and consultant for HR-focused companies. She specializes in growth strategies for established firms as well as innovative young companies. She has particular expertise in mapping marketing strategies in emerging areas and in developing close and enduring relationships with a company's client base.

Before joining HR Alloy, Lehman founded B-to-B marketing consultancy MarketUP, specializing in technology companies in the areas of screening and assessment, candidate management, and retirement services. She has also served as marketing director for HR consulting leader DDI, Internet recruiting pioneer iSearch, and investment giant TCW Group. In these positions



she developed a deep understanding of the HR market and its technology issues, and managed corporate branding, public relations, and all aspects of marketing for multiple product launches.

Paul Blanchard, Founder and CTO

Mr. Blanchard founded HR Alloy (previously SHS, Inc.) 13 years ago to develop testing software solutions for HR professional services firms. An expert in executive recruitment and human resources technology, he is a leader in the development of web-based HR technology and services. In the early 90's he developed one of the first computer-based testing tools for industrial/organizational psychologists. Mr. Blanchard's long experience working with HR professionals leads to a deep understanding of their diverse and complex needs, and an unmatched ability to translate them into tailored, easy-to-use technology solutions.

Prior to founding HR Alloy Mr. Blanchard was an entrepreneur and consultant in other software and high-technology sectors.

Normand Rivard, Head of Finance

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Media Release

HR Alloy rolls out new version of its advanced Qualification Management System™

The only recruitment and assessment platform designed specifically for HR professional services firms receives major upgrade

Montreal, Quebec, September 29, 2005: One day after announcing its enhanced management team, HR recruitment process and assessment technology provider HR Alloy has announced the new version of its Qualification Management System™ (QMS™). HR Alloy is the first company to offer complete selection systems designed specifically for HR professional services firms in the fast-growing Recruitment Process Outsourcing (RPO) field. The new version offers increased flexibility and unmatched implementation speed.

POWERFUL, TESTED SYSTEMS

The upgraded QMS™ platform builds on an already extraordinary technology. HR Alloy's solutions are based on extensive testing and a 13-year track record of successful software implementations in the HR industry. Their real-world experience with HR consulting firms allows them to design a system that closely matches their clients' needs across the entire spectrum of the staffing process. The new platform adds enhanced reporting capabilities, new web services and more flexible authoring control.

MODULAR ARCHITECTURE FOR SPEED AND FLEXIBILITY

HR Alloy's QMS™ is unique among selection system platforms because of its entirely modular, rules-based architecture. Modular design allows a system to be custom-tailored to meet a client's specific needs using an extensive library of tools and processes. The result is successful implementations in as little as a few days – rather than the months required for the traditional ground-up approach. This capability frees HR consultants from IT and administration issues and allows them to focus on serving their clients.

TOTAL AUTHORING CONTROL

The flexibility of the QMS™ platform allows full authoring control at all times. While each system will initially be configured to match client business needs at deployment, it offers the power to make adjustments as those needs change – easily, quickly, and from any location. Process rules can be modified, or entire modules can be added, replaced, or removed. This flexibility makes each implementation highly responsive and able to scale up as the organization grows.

HR-SPECIFIC DESIGN

What makes this breakthrough possible is HR Alloy's proprietary Qualification Process Execution Language™ (Q-PEL™). Based on the business automation standard B-PEL, the new technology describes and modularizes the thousands of business rules and process variations which can occur in the corporate staffing process – particularly complex scoring algorithms required by assessments. "It's a powerful technology in itself," says CTO Paul Blanchard, but what makes it unique is the business knowledge it incorporates. Q-PEL™ allows users to deploy years of detailed business experience almost instantly."

This fully modular architecture allows users to move processes in and out of a given system at will. Q-PEL™ is built on XML standards and is compatible with other elements, whether



commercially available or proprietary to the client organization. For example, a user of the system can either connect to pre-existing tests or build their own within the program.

PROVEN, AWARD-WINNING TECHNOLOGY

The Montreal-based company has been developing their technologies for 13 years, and has been extremely successful in the Canadian market as well as with high-profile U.S. clients. In 2004 the firm was awarded a grant by the Canadian government, which recognized their technology as a globally-significant innovation. More innovation is on the way. The next product launch is scheduled for October when they will reveal a revolutionary authoring software to develop realistic job simulations (RJS) using multimedia. This type of program until now has required expensive, time-consuming custom programming. HR Alloy will offer their RJS module as both a standalone product and an optional module for the QMS™.

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