

New Screening Submission:  
**ProgenyLink.com Project**

**Harvest  
US Genealogical Data  
For a \$3 Billion Profit**

Cost: \$70 million

**And Then  
Buy All the Other Genealogy Companies.**

Consolidate This Highly Fragmented Industry, and Eventually  
Capture 10% of the World's \$84 Billion Annual  
Personal Expenditures on Genealogy Activities.  
(Currently, only \$2.3 billion is consolidated into large companies)

Mergers and Acquisitions

**New Screening Submission:  
ProgenyLink.com Project**

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**1) Does your company have unique and/or protectable products or services with large market opportunities and recurring revenue models?**

1. The ProgenyLink.com project presented by Kent Huff.

Yes – to all elements of the question. I can say this is unique, because no one else has thought of this cooperation mechanism, "hiding in plain sight," even though hundreds of millions of dollars have been spent on software and database development in the genealogy industry. Hopefully, it is also protectable, based on the existence of two patents on the basic process. (Patents must represent something which is "new, useful, and nonobvious." Having taken the patent law class in law school, and almost becoming a member of that profession, I basically wrote the two patents with some editorial assistance from some real professionals in that area.) It would be better to move quickly enough so that there is no time to have someone with more resources decide to infringe the patent and get us into a lawsuit, but the two patents should still offer some protection.

There is also a large market opportunity with recurring revenue models. What is the size of the market? The most obvious market segment is the 2 million subscribers to Ancestry.com today. Altogether, they are paying in about \$450 million a year to Ancestry.com, with Ancestry.com able to claim about \$40 million a year in profit. Merely capturing a significant portion of that existing market would be sufficient to make the project successful. However, the number of people potentially interested in the product is far higher than 2 million. As a strange comparison, we repeatedly hear that genealogy hobbyists are second only to porn addicts in their activity levels in using the Internet. One can find estimates of the number of interested genealogists at the 4 million level, the 7 million level, the 12 million level, and the 24 million level. MyHeritage.com itself claims to have 18 million subscribers. Because this new technology used by ProgenyLink.com "bends the cost curve" down drastically, and almost eliminates the need for participants to become adept at the technology of genealogy research itself, that means anyone with an interest in genealogy and a little bit of money can become a customer.

It is useful to note that Global Industry Analysts, Inc., in its January 2012 industry report, tells us that there are 84 million people in the world who spend from \$1,000-\$18,000 a year on their genealogy hobby. Ancestry.com, MyHeritage.com, and all the other professional genealogists together only account for about \$2.5 billion in income each year. This seems to lay down the challenge for claiming some of the rest of the minimum of \$80+ billion each year

by offering better and cheaper services in other areas. That report, at a cost of \$1450, offers a little bit more detail as to where the money is spent in the world, although, clearly, the US market is the largest.

See the separate page below entitled "How Big is the Market for Genealogy?" for a more extended treatment of that topic.

## **2) Is the management team in place and full time on the venture?**

2. The current staff consists only of myself, although I had six people working with me when we were creating the final working version of the software. (We didn't have the money to actually take the last step of building the database and starting to market it.) However, although the underlying concepts will take a few days to absorb by new people, primarily because nearly everyone is so deeply embedded in the old ways of thinking and doing things in genealogy, the actual process of assembling a database and selling the information product is very straightforward, and any group of reasonably competent managers and technicians should be able to carry this out. The concept and the software are well documented, and we have a running version of that software. (There are two or three aspects of the software which have veered off from the original design, and need to be brought back to that design, but that repair is not a big project.)

To demonstrate the industry talent potentially available to the project, see the separate page below entitled "Assembling a staff -- Some top people to recruit" for a list of apparently ideal people to do this project. I am personally acquainted with the first 3 of the 5 listed. The fourth I have observed when she was presenting at public conferences.

## **3) Is your product ready for market (beta with early adopters at a minimum)?**

3. Answering this question for a database project is going to be different from answering the question for a hardware product such as the millennium disc (M-Disc) that came from BYU with some financing help from the inventor's dad.

The product is completely designed and has the necessary running website to receive and dispense the data. Some real data has been added to the website to ensure it is working correctly. However, the full content of the necessary database is not been constructed. In that sense the product is not "ready for market," but can be "ready for market" with a partially completed database within six months. I have assumed the cost of each name in the database would be \$1, but at the beginning, some of the "lowest hanging fruit" could be had for less, allowing the first part of the database buildup to go more rapidly than later on.

## **4) Are you within six months of making meaningful revenue?**

4. That is perfectly possible. As you will see throughout this presentation, the critical factor is the exact size of the database and how quickly it is built. The time to "meaningful revenue" is determined almost completely by how quickly the database sections are completed. For example, if \$1 million is expended in six months, then "meaningful revenue" will be available by then. If \$5 million is expended in six months, then there will be at least five times the

"meaningful revenue" at the six month point, since the commercial value of the database grows exponentially as the number of names increases linearly -- the "network effect".

The final cost of the completed database should be about \$70 million, but there are some bootstrap methods that could keep the initial investment much lower, although these methods slow down the overall process. Unfortunately, moving along more slowly also gives competitors with a great deal more money the opportunity to hijack or subvert the process.

**5) Can your venture be cash flow positive within a maximum of two years and breakeven within 3 years?**

5. Yes. There are several ways to do this project. The most accelerated version would be to build the database in the first two years, and then market it in the third and subsequent years, reaching the 40 times return on capital within five years. I expect the original investment, whatever size it may be, to be returned within three years. This is going far beyond the "breakeven point."

**6) Do you have a clear strategy for how your investors will make money?**

6. Yes. See item 7. Once the database is built, or partially built, there will be a very substantial flow of revenue which will far more than pay back the original investment.

**7) Does your venture have the potential for a return of a 3-5 times our invested capital in 3-5 years. Which generally equates to between \$15M- \$30 in annual revenue at a minimum in that time frame?**

7. Yes. This where the project really shines like the sun. Because of the unique nature of this project, it has the clear potential to produce a return of 40 times the investment in five years. I assume you will not believe me, saying this is "too good to be true," but I do hope you will allow me to make my case in person so there's no misunderstanding about all the data and assumptions.

As a quick summary of my resume, I studied mathematics, engineering, and political science at BYU and then received two law degrees from George Washington University in Washington DC. I worked mostly for the federal government, for 12 different agencies mostly doing computer work, retiring from the State Department after tours in Washington DC, and abroad in Saudi Arabia, Mexico City, and Moscow, Russia. I then spent three years with two different large private firms, EDS and American Airlines/SABRE, on some very large projects. I worked three years as an attorney, but most of my time was as a computer analyst/programmer/consultant, again mostly on large projects. I am now retired at age 72. I hope you'll suspend your disbelief a little bit and also accept my experience as some evidence that I know what I'm talking about. I consider myself a semi-expert on spotting boondoggles, especially boondoggles done regularly by the federal government, and this project is definitely not one of those government boondoggles.

The key factor here is that other people have spent at least \$20 billion in preparing the data which would be harvested by this project, and essentially all of that data is free for the taking for someone who has the right procedures and technology. I have made an effort to get other

organizations to do this harvesting, especially the LDS Church and Ancestry.com. But they choose not to do so, fearing the consequences of tampering with their current business models. An outsider without large past investments to protect can make a different choice. This is the classic "disruptive technology" situation.

### 8) Are you a Utah based company?

8. Yes, although it could quickly grow to have an international reach.

#### Comments:

Below are the documents I recently assembled to use in making contacts with potential sources of funding:

1. A two-page overview of the opportunity.
2. A 9-page finance-focused description of the project  
-- plus 5 pages of finance-related graphs and tables.  
-- plus a 20-page addendum covering topics that go beyond the financial aspects
3. A 38-page presentation on the underlying technical concepts. It essentially does the "cooperation math" which no one else in the genealogy industry today has bothered to do. Also, if you go to [www.ProgenyLink.com](http://www.ProgenyLink.com), you will see numerous other documents which describe various aspects of the concepts and the project itself. The running software also resides there, but one needs a passcode to actually look at it.

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I believe Paul Allen used to be involved in this Utah Angel group. I assume that as long as he was involved in genealogy activity himself, he would never agree to help fund someone else in starting up a potentially competing company. However, since I believe he has sold off his interest in genealogy companies, perhaps it is possible to have this group consider the next generation genealogy system.

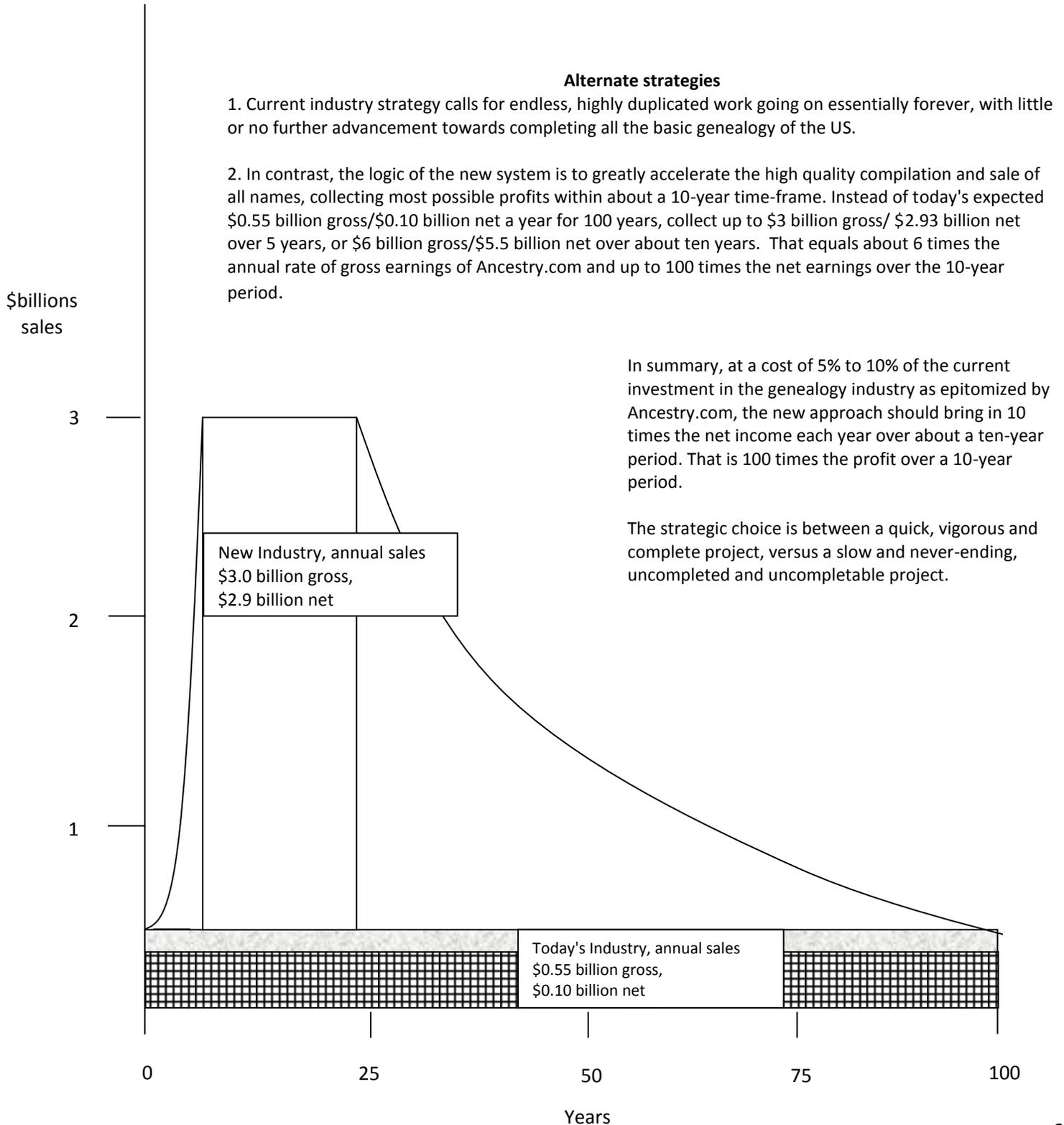
My project might be described as an extremely well-researched and well-prepared "second startup" idea that relates well to the expertise and interests found in Utah -- The "Next (Third, Fourth, Fifth?) Generation" of genealogy research companies. It has the software, and now needs the "second startup" money to actual create the necessary database. "Just add water." There are reasonable expectations of a very high return on investment.

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# The Shape of Things to Come

## Compressing and Harvesting the Revenue Stream of Ancestry.com

Earn 10-100 times as much money each year over a 10-year period



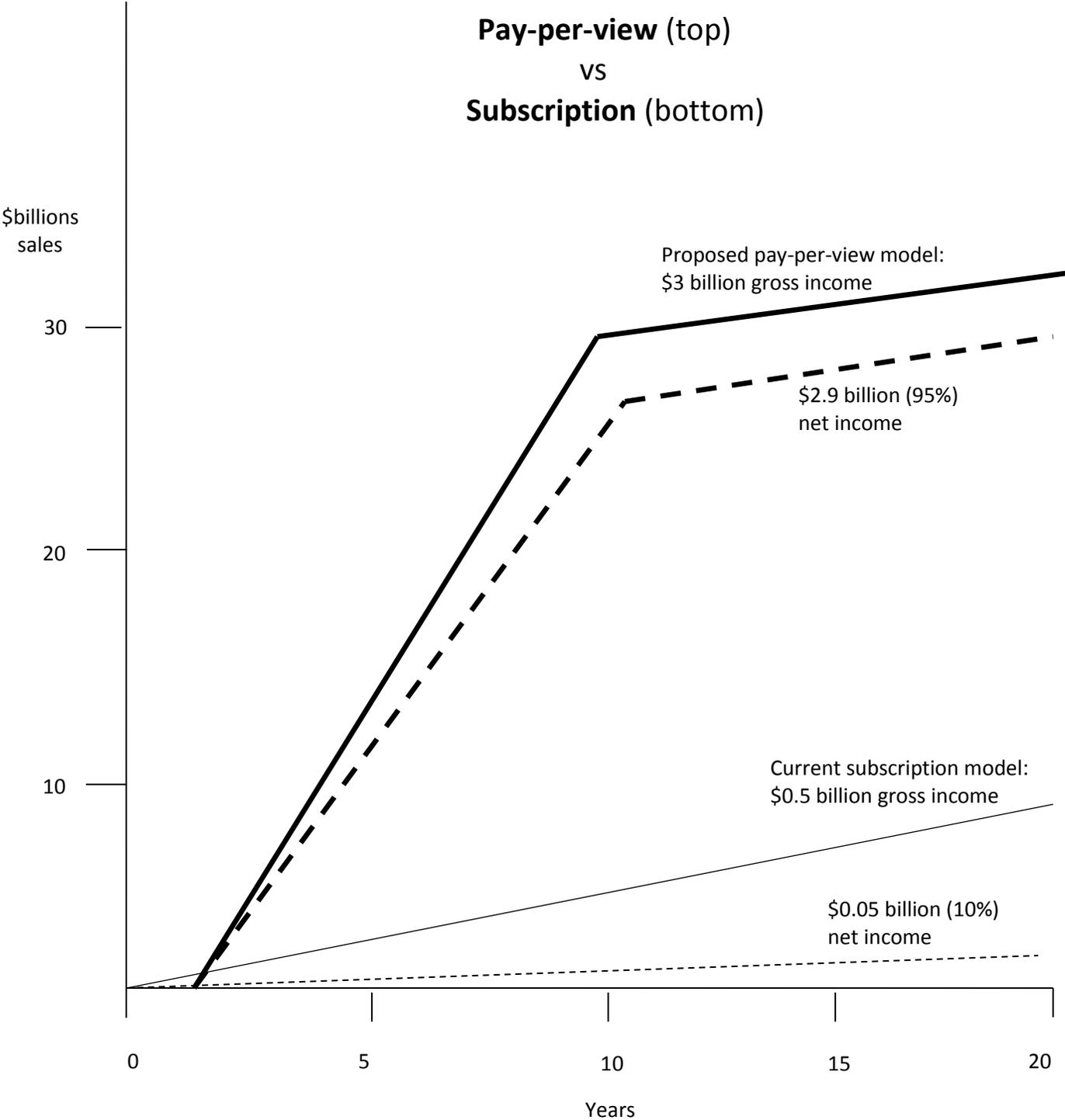
# The Shape of Things to Come

## Compressing and Harvesting the Revenue Stream of Ancestry.com

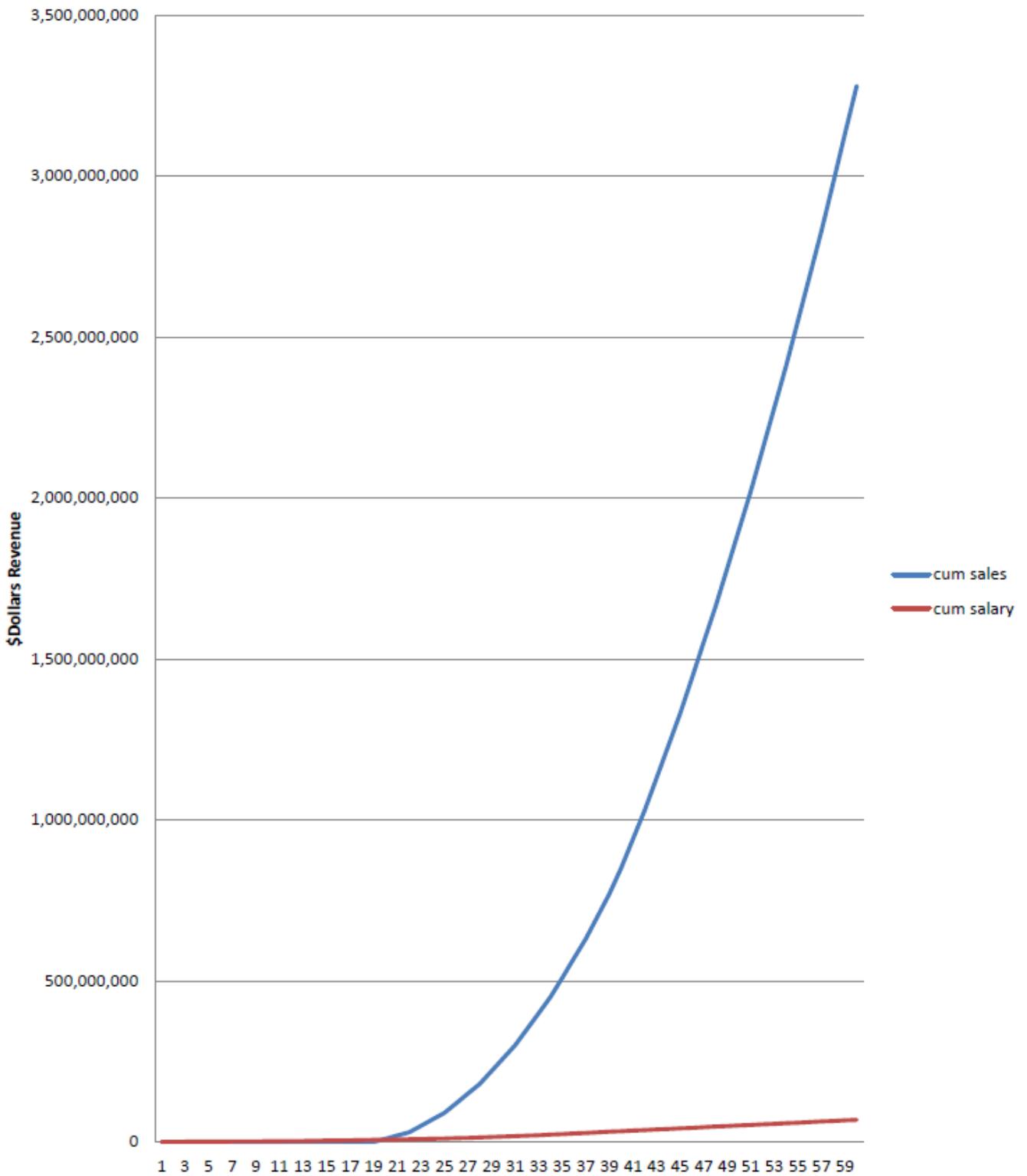
Earn 10-100 times as much money each year over a 10-year period

Cumulative income curves for two project conceptions:

Pay-per-view (top)  
vs  
Subscription (bottom)



### Revenue and Cost by Month for 5 Years



## Two Financial tables -- Define columns

Staffing -- Data Entry and Technical/Administrative for 5 Years													
1													
Month	Data People	Names each	Names added	Names cum	Data salary	Salary tot	Salary cum		Tech/Admin	Salary	Tot salary	CumTA sal	Cum all salary
1	20	500	10,000	10,000	1,667	33,333	33,333		4	8,333	33,333	33,333	66,667
2	20	1,000	20,000	30,000	1,667	33,333	66,667		4	8,333	33,333	66,667	133,333

Abbreviated Heading	Full Heading
Month	<b>Month</b> (60 months covering 5 years)
Data People	Number of <b>Data People</b> Employed each month
Names Each	<b>Names</b> entered by <b>Each</b> employee each month
Names Added	Total <b>Names Added</b> by all employees for the month
Names Cum	<b>Cumulative Names</b> added project-to-date
Data Salary	Average <b>Data Salary</b> for each employee
Salary tot	<b>Total Salary</b> expenses for each month
Salary Cum	<b>Cumulative Salary</b> Expenses project-to-date for data people
Tech/Admin	Number of <b>Technical/Administrative</b> employees each month
Salary	Average <b>Salary</b> for each Technical/Administrative employee
CumTA sal	<b>Cumulative salary of Tech/Admin</b> employees project-to-date
Cum all Salary	<b>Accumulate all salary</b> expenses project-to-date for data and Tech/Admin employees

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2 Financial Results -- Expense and Income -- by Month/Qtr/Year/Cum for 5 Years								
Month	Tot salary	Qtr Expense	Tot exp/year	Cum Salary	Tot Sales	Cum income	Net income	Cum net income
1	66,667			66,667	0	0	-66,667	-66,667
2	66,667			133,333	0	0	-66,667	-133,333
3	83,333	216,667		216,667	0	0	-83,333	-216,667

Abbreviated Heading	Full Heading
Month	<b>Month</b> (60 months covering 5 years)
Tot salary	<b>Total salary</b> expenses each month for all employees
Qtr Expense	<b>Total salary</b> expenses each Quarter for all employees
Tot exp/year	<b>Total salary</b> expenses each year for all employees
Cum Salary	<b>Accumulate all salary</b> expenses project-to-date for data and Tech/Admin employees
Tot Sales	<b>Total Sales</b> by month
Cum income	<b>Cumulative sales income</b> project-to-date
Net income	<b>Net income</b> -- total sales minus total expenses
Cum net income	<b>Accumulated net income</b> project-to-date

Staffing -- Data Entry and Technical/Administrative for 5 Years												
Month	Data People	Names each	Names added	Names cum	Data salary	Salary tot	Salary cum	Tech/Admin	Salary	Tot salary	CumTA sal	Cum all salary
1	20	500	10,000	10,000	1,667	33,333	33,333	4	8,333	33,333	33,333	66,667
2	20	1,000	20,000	30,000	1,667	33,333	66,667	4	8,333	33,333	66,667	133,333
3	20	2,000	40,000	70,000	1,667	33,333	100,000	6	8,333	50,000	116,667	216,667
4	20	2,000	40,000	110,000	1,667	33,333	133,333	6	8,333	50,000	166,667	300,000
5	40	2,000	80,000	190,000	1,667	66,667	166,667	8	8,333	66,667	233,333	400,000
6	60	2,000	120,000	310,000	1,667	100,000	233,333	8	8,333	66,667	300,000	533,333
7	80	2,000	160,000	470,000	1,667	133,333	333,333	8	8,333	66,667	366,667	700,000
8	100	2,000	200,000	670,000	1,667	166,667	466,667	8	8,333	66,667	433,333	900,000
9	120	2,000	240,000	910,000	1,667	200,000	633,333	8	8,333	66,667	500,000	1,133,333
10	140	2,000	280,000	1,190,000	1,667	233,333	833,333	8	8,333	66,667	566,667	1,400,000
11	160	2,000	320,000	1,510,000	1,667	266,667	1,066,667	8	8,333	66,667	633,333	1,700,000
12	180	2,000	360,000	1,870,000	1,667	300,000	1,333,333	12	8,333	100,000	733,333	2,066,667
13	200	2,000	400,000	2,270,000	1,667	333,333	1,633,333	12	8,333	100,000	833,333	2,466,667
14	220	2,000	440,000	2,710,000	1,667	366,667	1,966,667	12	8,333	100,000	933,333	2,900,000
15	240	2,000	480,000	3,190,000	1,667	400,000	2,333,333	12	8,333	100,000	1,033,333	3,366,667
16	260	2,000	520,000	3,710,000	1,667	433,333	2,733,333	12	8,333	100,000	1,133,333	3,866,667
17	280	2,000	560,000	4,270,000	1,667	466,667	3,166,667	12	8,333	100,000	1,233,333	4,400,000
18	300	2,000	600,000	4,870,000	1,667	500,000	3,633,333	12	8,333	100,000	1,333,333	4,966,667
19	320	2,000	640,000	5,510,000	1,667	533,333	4,133,333	12	8,333	100,000	1,433,333	5,566,667
20	340	2,000	680,000	6,190,000	1,667	566,667	4,666,667	12	8,333	100,000	1,533,333	6,200,000
21	360	2,000	720,000	6,910,000	1,667	600,000	5,233,333	12	8,333	100,000	1,633,333	6,866,667
22	380	2,000	760,000	7,670,000	1,667	633,333	5,833,333	12	8,333	100,000	1,733,333	7,566,667
23	400	2,000	800,000	8,470,000	1,667	666,667	6,466,667	12	8,333	100,000	1,833,333	8,300,000
24	500	2,000	1,000,000	9,470,000	1,667	833,333	7,133,333	12	8,333	100,000	1,933,333	9,066,667
25	550	2,000	1,100,000	10,570,000	1,667	916,667	7,966,667	12	8,333	100,000	2,033,333	10,000,000
26	600	2,000	1,200,000	11,770,000	1,667	1,000,000	8,883,333	12	8,333	100,000	2,133,333	11,016,667
27	650	2,000	1,300,000	13,070,000	1,667	1,083,333	9,883,333	12	8,333	100,000	2,233,333	12,116,667
28	700	2,000	1,400,000	14,470,000	1,667	1,166,667	10,966,667	12	8,333	100,000	2,333,333	13,300,000
29	750	2,000	1,500,000	15,970,000	1,667	1,250,000	12,133,333	12	8,333	100,000	2,433,333	14,566,667
30	800	2,000	1,600,000	17,570,000	1,667	1,333,333	13,383,333	12	8,333	100,000	2,533,333	15,916,667
31	850	2,000	1,700,000	19,270,000	1,667	1,416,667	14,716,667	12	8,333	100,000	2,633,333	17,350,000
32	900	2,000	1,800,000	21,070,000	1,667	1,500,000	16,133,333	12	8,333	100,000	2,733,333	18,866,667
33	1000	2,000	2,000,000	23,070,000	1,667	1,666,667	17,633,333	12	8,333	100,000	2,833,333	20,466,667
34	1000	2,000	2,000,000	25,070,000	1,667	1,666,667	19,300,000	12	8,333	100,000	2,933,333	22,233,333
35	1000	2,000	2,000,000	27,070,000	1,667	1,666,667	20,966,667	12	8,333	100,000	3,033,333	24,000,000
36	1000	2,000	2,000,000	29,070,000	1,667	1,666,667	22,633,333	12	8,333	100,000	3,133,333	25,766,667
37	1000	2,000	2,000,000	31,070,000	1,667	1,666,667	24,300,000	12	8,333	100,000	3,233,333	27,533,333
38	1000	2,000	2,000,000	33,070,000	1,667	1,666,667	25,966,667	12	8,333	100,000	3,333,333	29,300,000
39	1000	2,000	2,000,000	35,070,000	1,667	1,666,667	27,633,333	12	8,333	100,000	3,433,333	31,066,667
40	1000	2,000	2,000,000	37,070,000	1,667	1,666,667	29,300,000	12	8,333	100,000	3,533,333	32,833,333
41	1000	2,000	2,000,000	39,070,000	1,667	1,666,667	30,966,667	12	8,333	100,000	3,633,333	34,600,000
42	1000	2,000	2,000,000	41,070,000	1,667	1,666,667	32,633,333	12	8,333	100,000	3,733,333	36,366,667
43	1000	2,000	2,000,000	43,070,000	1,667	1,666,667	34,300,000	12	8,333	100,000	3,833,333	38,133,333
44	1000	2,000	2,000,000	45,070,000	1,667	1,666,667	35,966,667	12	8,333	100,000	3,933,333	39,900,000
45	1000	2,000	2,000,000	47,070,000	1,667	1,666,667	37,633,333	12	8,333	100,000	4,033,333	41,666,667
46	1000	2,000	2,000,000	49,070,000	1,667	1,666,667	39,300,000	12	8,333	100,000	4,133,333	43,433,333
47	1000	2,000	2,000,000	51,070,000	1,667	1,666,667	40,966,667	12	8,333	100,000	4,233,333	45,200,000
48	1000	2,000	2,000,000	53,070,000	1,667	1,666,667	42,633,333	12	8,333	100,000	4,333,333	46,966,667
49	1000	2,000	2,000,000	55,070,000	1,667	1,666,667	44,300,000	12	8,333	100,000	4,433,333	48,733,333
50	1000	2,000	2,000,000	57,070,000	1,667	1,666,667	45,966,667	12	8,333	100,000	4,533,333	50,500,000
51	1000	2,000	2,000,000	59,070,000	1,667	1,666,667	47,633,333	12	8,333	100,000	4,633,333	52,266,667
52	1000	2,000	2,000,000	61,070,000	1,667	1,666,667	49,300,000	12	8,333	100,000	4,733,333	54,033,333
53	1000	2,000	2,000,000	63,070,000	1,667	1,666,667	50,966,667	12	8,333	100,000	4,833,333	55,800,000
54	1000	2,000	2,000,000	65,070,000	1,667	1,666,667	52,633,333	12	8,333	100,000	4,933,333	57,566,667
55	1000	2,000	2,000,000	67,070,000	1,667	1,666,667	54,300,000	12	8,333	100,000	5,033,333	59,333,333
56	1000	2,000	2,000,000	69,070,000	1,667	1,666,667	55,966,667	12	8,333	100,000	5,133,333	61,100,000
57	1000	2,000	2,000,000	71,070,000	1,667	1,666,667	57,633,333	12	8,333	100,000	5,233,333	62,866,667
58	1000	2,000	2,000,000	73,070,000	1,667	1,666,667	59,300,000	12	8,333	100,000	5,333,333	64,633,333
59	1000	2,000	2,000,000	75,070,000	1,667	1,666,667	60,966,667	12	8,333	100,000	5,433,333	66,400,000
60	1000	2,000	2,000,000	77,070,000	1,667	1,666,667	62,633,333	12	8,333	100,000	5,533,333	68,166,667

Financial Results -- Expense and Income -- by Month/Qtr/Year/Cum for 5 Years								
Month	Tot salary	Qtr Expense	Tot exp/year	Cum Salary	Tot Sales	Cum income	Net income	Cum net income
1	66,667			66,667	0	0	-66,667	-66,667
2	66,667			133,333	0	0	-66,667	-133,333
3	83,333	216,667		216,667	0	0	-83,333	-216,667
4	83,333			300,000	0	0	-83,333	-300,000
5	133,333			433,333	0	0	-133,333	-433,333
6	166,667	383,333		600,000	0	0	-166,667	-600,000
7	200,000			800,000	0	0	-200,000	-800,000
8	233,333			1,033,333	0	0	-233,333	-1,033,333
9	266,667	700,000		1,300,000	0	0	-266,667	-1,300,000
10	300,000			1,600,000	0	0	-300,000	-1,600,000
11	333,333			1,933,333	0	0	-333,333	-1,933,333
12	400,000	1,033,333	2,333,333	2,333,333	0	0	-400,000	-2,333,333
13	433,333			2,766,667	0	0	-433,333	-2,766,667
14	466,667			3,233,333	0	0	-466,667	-3,233,333
15	500,000	1,400,000		3,733,333	0	0	-500,000	-3,733,333
16	533,333			4,266,667	0	0	-533,333	-4,266,667
17	566,667			4,833,333	0	0	-566,667	-4,833,333
18	600,000	1,700,000		5,433,333	0	0	-600,000	-5,433,333
19	633,333			6,066,667	0	0	-633,333	-6,066,667
20	666,667			6,733,333	10,000,000	10,000,000	79,333,333	73,266,667
21	700,000	2,000,000		7,433,333	10,000,000	20,000,000	79,300,000	152,566,667
22	733,333			8,166,667	10,000,000	30,000,000	79,266,667	231,833,333
23	766,667			8,933,333	20,000,000	50,000,000	79,233,333	311,066,667
24	933,333	2,433,333	7,533,333	9,866,667	20,000,000	70,000,000	79,066,667	390,133,333
25	1,016,667			10,883,333	20,000,000	90,000,000	78,983,333	469,116,667
26	1,100,000			11,983,333	30,000,000	120,000,000	78,900,000	548,016,667
27	1,183,333	3,300,000		13,166,667	30,000,000	150,000,000	78,816,667	626,833,333
28	1,266,667			14,433,333	30,000,000	180,000,000	78,733,333	705,566,667
29	1,350,000			15,783,333	40,000,000	220,000,000	78,650,000	784,216,667
30	1,433,333	4,050,000		17,216,667	40,000,000	260,000,000	78,566,667	862,783,333
31	1,516,667			18,733,333	40,000,000	300,000,000	78,483,333	941,266,667
32	1,600,000			20,333,333	50,000,000	350,000,000	78,400,000	1,019,666,667
33	1,766,667	4,883,333		22,100,000	50,000,000	400,000,000	78,233,333	1,097,900,000
34	1,766,667			23,866,667	50,000,000	450,000,000	78,233,333	1,176,133,333
35	1,766,667			25,633,333	60,000,000	510,000,000	78,233,333	1,254,366,667
36	1,766,667	5,300,000	17,533,333	27,400,000	60,000,000	570,000,000	78,233,333	1,332,600,000
37	1,766,667			29,166,667	60,000,000	630,000,000	78,233,333	1,410,833,333
38	1,766,667			30,933,333	70,000,000	700,000,000	78,233,333	1,489,066,667
39	1,766,667	5,300,000		32,700,000	70,000,000	770,000,000	78,233,333	1,567,300,000
40	1,766,667			34,466,667	80,000,000	850,000,000	78,233,333	1,645,533,333
41	1,766,667			36,233,333	90,000,000	940,000,000	78,233,333	1,723,766,667
42	1,766,667	5,300,000		38,000,000	90,000,000	1,030,000,000	78,233,333	1,802,000,000
43	1,766,667			39,766,667	100,000,000	1,130,000,000	78,233,333	1,880,233,333
44	1,766,667			41,533,333	100,000,000	1,230,000,000	78,233,333	1,958,466,667
45	1,766,667	5,300,000		43,300,000	100,000,000	1,330,000,000	78,233,333	2,036,700,000
46	1,766,667			45,066,667	110,000,000	1,440,000,000	78,233,333	2,114,933,333
47	1,766,667			46,833,333	110,000,000	1,550,000,000	78,233,333	2,193,166,667
48	1,766,667	5,300,000	21,200,000	48,600,000	110,000,000	1,660,000,000	78,233,333	2,271,400,000
49	1,766,667			50,366,667	120,000,000	1,780,000,000	78,233,333	2,349,633,333
50	1,766,667			52,133,333	120,000,000	1,900,000,000	78,233,333	2,427,866,667
51	1,766,667	5,300,000		53,900,000	120,000,000	2,020,000,000	78,233,333	2,506,100,000
52	1,766,667			55,666,667	130,000,000	2,150,000,000	78,233,333	2,584,333,333
53	1,766,667			57,433,333	130,000,000	2,280,000,000	78,233,333	2,662,566,667
54	1,766,667	5,300,000		59,200,000	130,000,000	2,410,000,000	78,233,333	2,740,800,000
55	1,766,667			60,966,667	140,000,000	2,550,000,000	78,233,333	2,819,033,333
56	1,766,667			62,733,333	140,000,000	2,690,000,000	78,233,333	2,897,266,667
57	1,766,667	5,300,000		64,500,000	140,000,000	2,830,000,000	78,233,333	2,975,500,000
58	1,766,667			66,266,667	150,000,000	2,980,000,000	78,233,333	3,053,733,333
59	1,766,667			68,033,333	150,000,000	3,130,000,000	78,233,333	3,131,966,667
60	1,766,667	5,300,000	21,200,000	69,800,000	150,000,000	3,280,000,000	78,233,333	3,210,200,000

# Growth in Names for Sale, and Their Increase in Market Value With Growth in Database Size

One question which will certainly come up is "How will the value of the database grow as it begins and eventually reaches the full size of 70 million names?" For example, when the database reaches a size of 1 million names, will it have any substantial value, or will it need to reach its full size before it has a large value? This next table and associated graph shows the approximate expected value of the database at each stage from 1 million to 70 million names. Because of the network effects of overlapping pedigrees, the value of the database grows exponentially as its linear size increases. That exponential increase in value is reflected in the numbers in the table. If a database of 1 million names has a commercial value of at least \$4 million, that seems quite encouraging, keeping in mind that as the database grows in size it becomes much more valuable with each increment. Even if \$2 million was expended in compiling that first 1 million names, because of the extra costs of starting up the process (with \$1 per name being more typical after that startup process), it still should be a commercially viable process.

The same chart could be continued so that it shows from zero names up to 1 million names, and the calculations would be mostly an extension downward of the calculations shown. I could construct that graph and include it if anyone wishes, but I don't think it would add very much to the understanding of the process. The numbers simply become smaller as the database size is decreased from 1,000,000 names to 0 names.

There are three sections to the table, one showing the number of "potential customers" for each size of the database, and that number stays the same for the next two sections. The second section shows the number of names that the database will hold for each customer even if the different "surname group" sections of the database are not connected together through marriages, and the third section shows the number of names that the database will hold for each customer after the different "surname group" sections of the database have been connected together through marriages.

For this graph I assume that each surname group averages about 5000 names in size, so that for a database with a million names, that would mean that about 200 of these surname groups have been entered. It is also assumed that about 2000 of those 5000 names are those who fall at the bottom of the surname group, meaning they probably died somewhere in the 1930 to 1950 date range, making them the logical people for a searcher to find as a way of locating the rest of that searcher's pedigree.

## Definitions

"Potential customers" are defined as those people, those names, who are still living or who are only recently deceased, which provide a lower entry point into the rest of the genealogy database. In other words, a person examining the database would typically look for either his own name or the name of a parent or grandparent, and finding one of those names would then define the entry point by which one could learn about all the other names that are part of his complete pedigree. The number of "customers" used here is really less than the actual total. The "customers" in this chart is an estimate of those whose names are in the database, and it does not include the children and grandchildren of those people found the database. In other words, the number of children and grandchildren who are descended from that particular "customer" could greatly multiply the number of actual "potential customers."

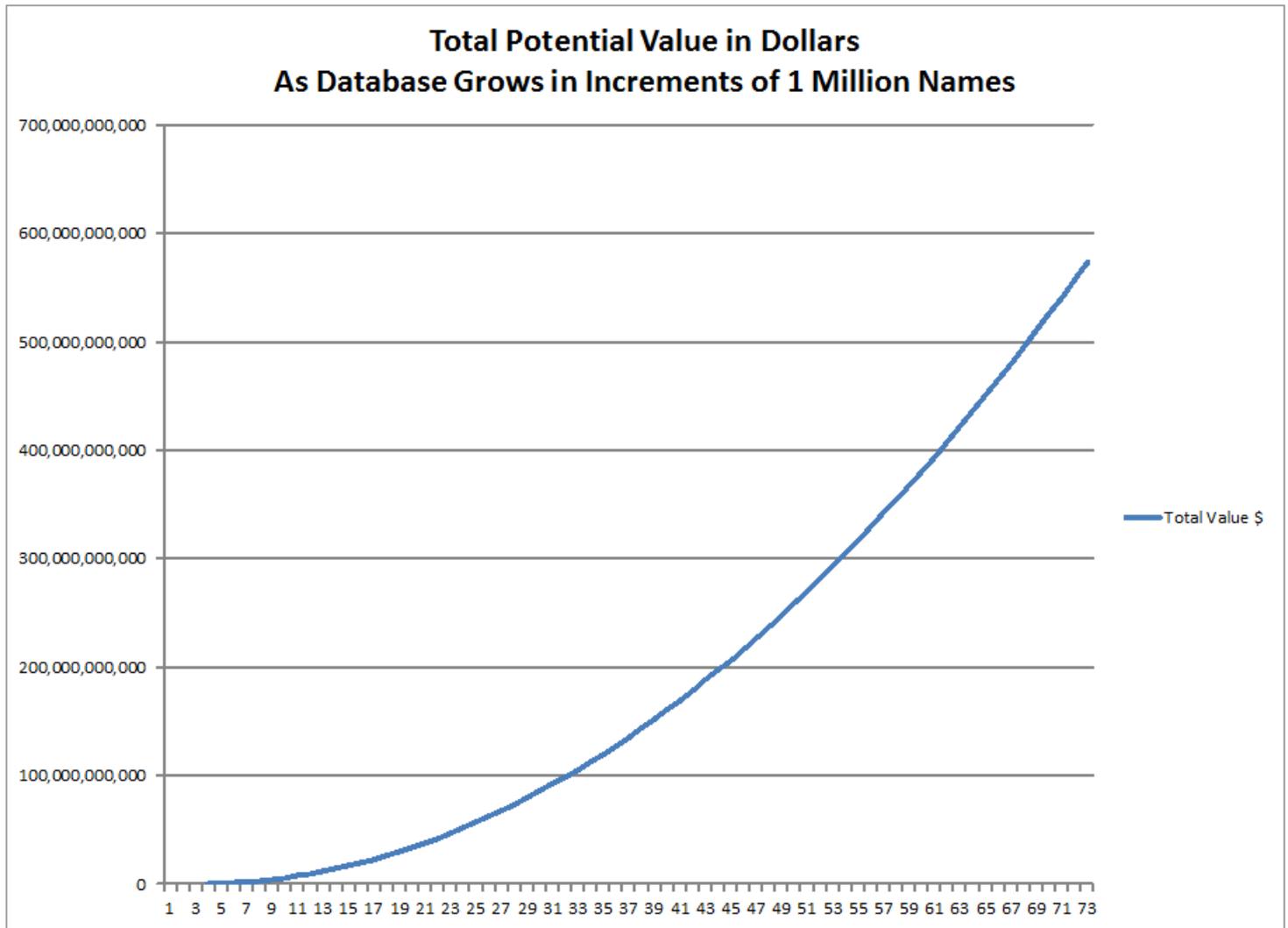
The first 10 names, which appear for every customer from the beginning, are there simply because of the way the data is located and entered into the database in descendant sequence from an ancient ancestor. The assumption is that about 10 to 15 generations of data will be found and entered for each person, essentially guaranteeing that those 10 to 15 ancestors can be found in almost every case, regardless of whether connections have been made through marriage to other surname groups.

Those first 10 names are the most valuable and most highly salable names, since they are the names of the ancestors which hold the same surname as the customer. That number should be easy to double to 20 when we add in the wives of these 10 progenitors, so that it should be fairly easy to charge \$200 for that set of names. It should not be too difficult to double that number again as we add in all the names along a person's mother's maiden name line, running the total bill up to \$400. Notice that we are going back 10 generations in those cases.

The next most valuable data would probably be all the possible ancestors back a full five generations which would cost \$800 for that set. For two of the 32 surname lines that take you back five generations, they would already have been completed back 10 generations, and paid for, so those names would not be charged-for again.

One might guess that the further back in time we go, the less value each of those names has to a customer, while at the same time the number of those names increases dramatically. The cost for 10 generations of names should theoretically be 32 times the cost five generations, but the marketing process needs to lower the cost on those more remote names, while not letting those remote aspects of the database go too cheaply and be lost to some competing "screen scraper" operation. We could probably get full value on all the cases where we follow a person's surname back 10 generations, and perhaps complete the same thing for his mother, but the other lines drop in value. We need to make sure that we get back our cost, at least, on these names that are back further, so this may take a little bit of judicious juggling of pricing and availability.

The table is probably off a little bit in its accuracy. For example, the number of full generations available at the lower database sizes will probably be less than is shown in the table, but I don't know how to predict those values any more accurately than I have done here.



## Growth in Names for Sale, and Their Market Value With Growth in Database Size

Database Size	Surname Groups Completed (3000 names each, ave.)	Potential Customers* (2000 each surname group)	Minimum Names For Sale For Each Customer	Number of Names For Sale Total	Value Per Name \$	Total value \$	Value at ten % Participation	Network Effect Names Per Customer	Network Effect Names, Total for sale	Value Per Name \$	Total value \$	Value at ten % Participation	Approx Complete Full Pedigree Gen.
1,000,000	200	400,000	10	4,000,000	10	40,000,000	4,000,000	29	11,702,857	10	117,028,571	11,702,857	<5
2,000,000	400	800,000	10	8,000,000	10	80,000,000	8,000,000	59	46,811,429	10	468,114,286	46,811,429	<5
3,000,000	600	1,200,000	10	12,000,000	10	120,000,000	12,000,000	88	105,325,714	10	1,053,257,143	105,325,714	5
4,000,000	800	1,600,000	10	16,000,000	10	160,000,000	16,000,000	117	187,245,714	10	1,872,457,143	187,245,714	<6
5,000,000	1,000	2,000,000	10	20,000,000	10	200,000,000	20,000,000	146	292,571,429	10	2,925,714,286	292,571,429	6
6,000,000	1,200	2,400,000	10	24,000,000	10	240,000,000	24,000,000	175	421,302,857	10	4,213,028,571	421,302,857	<7
7,000,000	1,400	2,800,000	10	28,000,000	10	280,000,000	28,000,000	205	573,440,000	10	5,734,400,000	573,440,000	<7
8,000,000	1,600	3,200,000	10	32,000,000	10	320,000,000	32,000,000	234	748,982,857	10	7,489,828,571	748,982,857	<7
9,000,000	1,800	3,600,000	10	36,000,000	10	360,000,000	36,000,000	263	947,931,429	10	9,479,314,286	947,931,429	7
10,000,000	2,000	4,000,000	10	40,000,000	10	400,000,000	40,000,000	293	1,170,285,714	10	11,702,857,143	1,170,285,714	<8
11,000,000	2,200	4,400,000	10	44,000,000	10	440,000,000	44,000,000	322	1,416,045,714	10	14,160,457,143	1,416,045,714	<8
12,000,000	2,400	4,800,000	10	48,000,000	10	480,000,000	48,000,000	351	1,685,211,429	10	16,852,114,286	1,685,211,429	<8
13,000,000	2,600	5,200,000	10	52,000,000	10	520,000,000	52,000,000	380	1,977,782,857	10	19,777,828,571	1,977,782,857	<8
14,000,000	2,800	5,600,000	10	56,000,000	10	560,000,000	56,000,000	410	2,293,780,000	10	22,937,600,000	2,293,780,000	<8
15,000,000	3,000	6,000,000	10	60,000,000	10	600,000,000	60,000,000	439	2,633,142,857	10	26,331,428,571	2,633,142,857	<8
16,000,000	3,200	6,400,000	10	64,000,000	10	640,000,000	64,000,000	468	2,995,931,429	10	29,959,314,286	2,995,931,429	<8
17,000,000	3,400	6,800,000	10	68,000,000	10	680,000,000	68,000,000	497	3,382,125,714	10	33,821,257,143	3,382,125,714	<8
18,000,000	3,600	7,200,000	10	72,000,000	10	720,000,000	72,000,000	527	3,791,725,714	10	37,917,257,143	3,791,725,714	8
19,000,000	3,800	7,600,000	10	76,000,000	10	760,000,000	76,000,000	556	4,224,731,429	10	42,247,314,286	4,224,731,429	<9
20,000,000	4,000	8,000,000	10	80,000,000	10	800,000,000	80,000,000	585	4,681,142,857	10	46,811,428,571	4,681,142,857	<9
21,000,000	4,200	8,400,000	10	84,000,000	10	840,000,000	84,000,000	614	5,160,960,000	10	51,609,600,000	5,160,960,000	<9
22,000,000	4,400	8,800,000	10	88,000,000	10	880,000,000	88,000,000	644	5,664,182,857	10	56,641,828,571	5,664,182,857	<9
23,000,000	4,600	9,200,000	10	92,000,000	10	920,000,000	92,000,000	673	6,190,811,429	10	61,908,114,286	6,190,811,429	<9
24,000,000	4,800	9,600,000	10	96,000,000	10	960,000,000	96,000,000	702	6,740,845,714	10	67,408,457,143	6,740,845,714	<9
25,000,000	5,000	10,000,000	10	100,000,000	10	1,000,000,000	100,000,000	731	7,314,285,714	10	73,142,857,143	7,314,285,714	<9
26,000,000	5,200	10,400,000	10	104,000,000	10	1,040,000,000	104,000,000	761	7,911,131,429	10	79,111,314,286	7,911,131,429	<9
27,000,000	5,400	10,800,000	10	108,000,000	10	1,080,000,000	108,000,000	790	8,531,382,857	10	85,313,828,571	8,531,382,857	<9
28,000,000	5,600	11,200,000	10	112,000,000	10	1,120,000,000	112,000,000	819	9,175,040,000	10	91,750,400,000	9,175,040,000	<9
29,000,000	5,800	11,600,000	10	116,000,000	10	1,160,000,000	116,000,000	848	9,842,102,857	10	98,421,028,571	9,842,102,857	<9
30,000,000	6,000	12,000,000	10	120,000,000	10	1,200,000,000	120,000,000	878	10,532,571,429	10	105,325,714,286	10,532,571,429	<9
31,000,000	6,200	12,400,000	10	124,000,000	10	1,240,000,000	124,000,000	907	11,246,445,714	10	112,464,457,143	11,246,445,714	<9
32,000,000	6,400	12,800,000	10	128,000,000	10	1,280,000,000	128,000,000	936	11,983,725,714	10	119,837,257,143	11,983,725,714	<9
33,000,000	6,600	13,200,000	10	132,000,000	10	1,320,000,000	132,000,000	965	12,744,411,429	10	127,444,114,286	12,744,411,429	<9
34,000,000	6,800	13,600,000	10	136,000,000	10	1,360,000,000	136,000,000	995	13,528,502,857	10	135,285,028,571	13,528,502,857	<9
35,000,000	7,000	14,000,000	10	140,000,000	10	1,400,000,000	140,000,000	1,024	14,336,000,000	10	143,360,000,000	14,336,000,000	9
36,000,000	7,200	14,400,000	10	144,000,000	10	1,440,000,000	144,000,000	1,053	15,166,902,857	10	151,669,028,571	15,166,902,857	<10
37,000,000	7,400	14,800,000	10	148,000,000	10	1,480,000,000	148,000,000	1,083	16,021,211,429	10	160,212,114,286	16,021,211,429	<10
38,000,000	7,600	15,200,000	10	152,000,000	10	1,520,000,000	152,000,000	1,112	16,898,925,714	10	168,989,257,143	16,898,925,714	<10
39,000,000	7,800	15,600,000	10	156,000,000	10	1,560,000,000	156,000,000	1,141	17,800,045,714	10	178,000,457,143	17,800,045,714	<10
40,000,000	8,000	16,000,000	10	160,000,000	10	1,600,000,000	160,000,000	1,170	18,724,571,429	10	187,245,714,286	18,724,571,429	<10
41,000,000	8,200	16,400,000	10	164,000,000	10	1,640,000,000	164,000,000	1,200	19,672,502,857	10	196,725,028,571	19,672,502,857	<10
42,000,000	8,400	16,800,000	10	168,000,000	10	1,680,000,000	168,000,000	1,229	20,643,840,000	10	206,438,400,000	20,643,840,000	<10
43,000,000	8,600	17,200,000	10	172,000,000	10	1,720,000,000	172,000,000	1,258	21,638,582,857	10	216,385,828,571	21,638,582,857	<10
44,000,000	8,800	17,600,000	10	176,000,000	10	1,760,000,000	176,000,000	1,287	22,656,731,429	10	226,576,731,429	22,656,731,429	<10
45,000,000	9,000	18,000,000	10	180,000,000	10	1,800,000,000	180,000,000	1,317	23,698,285,714	10	236,982,857,143	23,698,285,714	<10
46,000,000	9,200	18,400,000	10	184,000,000	10	1,840,000,000	184,000,000	1,346	24,763,245,714	10	247,632,457,143	24,763,245,714	<10
47,000,000	9,400	18,800,000	10	188,000,000	10	1,880,000,000	188,000,000	1,375	25,851,611,429	10	258,516,114,286	25,851,611,429	<10
48,000,000	9,600	19,200,000	10	192,000,000	10	1,920,000,000	192,000,000	1,404	26,963,382,857	10	269,633,828,571	26,963,382,857	<10
49,000,000	9,800	19,600,000	10	196,000,000	10	1,960,000,000	196,000,000	1,434	28,098,560,000	10	280,985,600,000	28,098,560,000	<10
50,000,000	10,000	20,000,000	10	200,000,000	10	2,000,000,000	200,000,000	1,463	29,257,142,857	10	292,571,428,571	29,257,142,857	<10
51,000,000	10,200	20,400,000	10	204,000,000	10	2,040,000,000	204,000,000	1,492	30,439,131,429	10	304,391,314,286	30,439,131,429	<10
52,000,000	10,400	20,800,000	10	208,000,000	10	2,080,000,000	208,000,000	1,521	31,644,525,714	10	316,445,257,143	31,644,525,714	<10
53,000,000	10,600	21,200,000	10	212,000,000	10	2,120,000,000	212,000,000	1,551	32,873,325,714	10	328,733,257,143	32,873,325,714	<10
54,000,000	10,800	21,600,000	10	216,000,000	10	2,160,000,000	216,000,000	1,580	34,125,531,429	10	341,255,314,286	34,125,531,429	<10
55,000,000	11,000	22,000,000	10	220,000,000	10	2,200,000,000	220,000,000	1,609	35,401,142,857	10	354,011,428,571	35,401,142,857	<10
56,000,000	11,200	22,400,000	10	224,000,000	10	2,240,000,000	224,000,000	1,638	36,700,160,000	10	367,001,600,000	36,700,160,000	<10
57,000,000	11,400	22,800,000	10	228,000,000	10	2,280,000,000	228,000,000	1,668	38,022,582,857	10	380,225,828,571	38,022,582,857	<10
58,000,000	11,600	23,200,000	10	232,000,000	10	2,320,000,000	232,000,000	1,697	39,368,411,429	10	393,684,114,286	39,368,411,429	<10
59,000,000	11,800	23,600,000	10	236,000,000	10	2,360,000,000	236,000,000	1,726	40,737,645,714	10	407,376,457,143	40,737,645,714	<10
60,000,000	12,000	24,000,000	10	240,000,000	10	2,400,000,000	240,000,000	1,755	42,130,285,714	10	421,302,857,143	42,130,285,714	<10
61,000,000	12,200	24,400,000	10	244,000,000	10	2,440,000,000	244,000,000	1,785	43,546,331,429	10	435,463,314,286	43,546,331,429	<10
62,000,000	12,400	24,800,000	10	248,000,000	10	2,480,000,000	248,000,000	1,814	44,983,782,857	10	449,857,828,571	44,983,782,857	<10
63,000,000	12,600	25,200,000	10	252,000,000	10	2,520,000,000	252,000,000	1,843	46,448,640,000	10	464,486,400,000	46,448,640,000	<10
64,000,000	12,800	25,600,000	10	256,000,000	10	2,560,000,000	256,000,000	1,872	47,934,902,857	10	479,349,028,571	47,934,902,857	<10
65,000,000	13,000	26,000,000											

# How Big is the Market for Genealogy?

## Money:

1. The Global Industry Analysts, Inc., survey showed that there were 84 million people in the world who spend from \$1,000 to \$18,000 a year on genealogy-related activities, meaning that the smallest size for the international genealogy industry is \$84 billion. It could actually be several times larger than that.
2. The revenue received by large genealogy organizations, such as Ancestry.com and other professional genealogists, is only about \$2.3 billion a year.
3. If 10% of the market could be captured, that would be \$8.4 billion a year for the foreseeable future. That seems like it would be worth some trouble to tap into that market. A relatively small amount of money would do the job, once the necessary technology has been designed, and that has been done. Startup costs could vary from about \$1 to \$5 million, up to \$70 million, with good reasons to build the database as quickly as possible, and thus invest the money as quickly as possible.

## Time:

4. LDS Church members spend the commercial equivalent of about \$3 billion each year in volunteer work. If 150,000 people each spend 1000 hours a year, that is 150 million hours a year. At \$20 per hour that would be \$3 billion in work product.
5. All other genealogists in the United States spend the equivalent of at least \$40 billion in hobby and volunteer work. Actually it is probably more like \$80 billion in time and money spent in the United States on genealogy research. (If there were 4 million genealogists who each spent 1000 hours a year that would be 4 billion hours. At \$20 an hour that would be \$80 billion of work.)

## Time is Money? "Make or Buy?"

Today, everyone just assumes they must do most of the research themselves -- they must "make" it -- because the "buy" cost is still astronomical. It will take them about 10,000 hours over 10 years or, at \$20 an hour, about \$200,000 in commercial time to complete a 5-generation pedigree. That is a full life's work for most people. (It might be as little as \$20,000 to have it done professionally, but that is still a huge number.)

What if they could get the same result for about \$800 if they "buy" from the new system? That sounds like a great deal, and a good way to get your life back (versus earning \$0.08 an hour while doing it yourself?).

With at least \$84 billion in cash costs, and another \$80 billion in time spent -- a total of \$164 billion for all inputs -- how much can be captured through better service by a more efficient system? That is the larger question.

To me, this situation demonstrates an enormous demand for information, which is being very poorly filled, leaving a huge area for improvement within the industry.

Most of the necessary data (for this first project) has been prepared for free so that up to 1 billion names (out of 10 billion people with documentation) could be completed at a very low cost and sold at a very reasonable price. The most valuable names in the world are the 70 million names of Americans who died before 1930, and another similar 70 million names of Europeans who died before 1930. Those are the easy ones and where the quick profits can be made. There is much more work to be done in the world, but then the marginal costs go up and the marginal profits go down, so there are probably limits to how far one could go in completing the rest of the world on a commercial basis.

## **Assembling a staff -- Some top people to recruit**

Diane C. Loosle

Director of the Family History Library and Family History Centers at FamilySearch.

Has a genealogy degree from BYU and an MBA degree from University of Utah.

Knows all the players and volunteers in the Church complex.

Darrin Lythgoe

BYU degrees in journalism and computer science.

A web developer at Fold3.com -- which hosts "the web's premier collection of original military records." Family genealogist and the author of The Next Generation of Genealogy Sitebuilding ("TNG"), and thus knows about many of the larger family genealogy organizations who use his software.

Geoff Rasmussen

BYU genealogy degree

Does training and PR for Legacy Family Tree, and thus knows about a huge number of users of genealogy software, and about other industry players.

Anne Roach

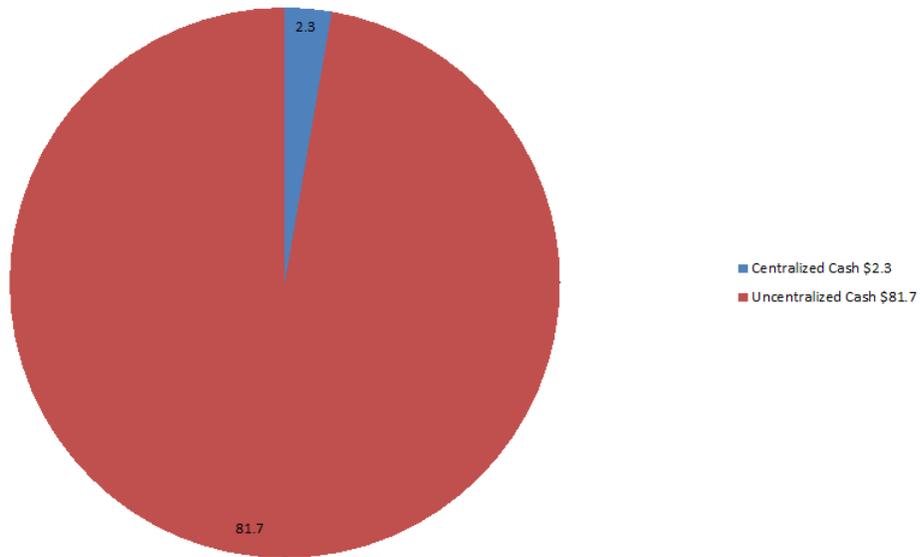
Former Director of Content Development and Acquisition, Inflection/Archives.com

Natalie Cottrill

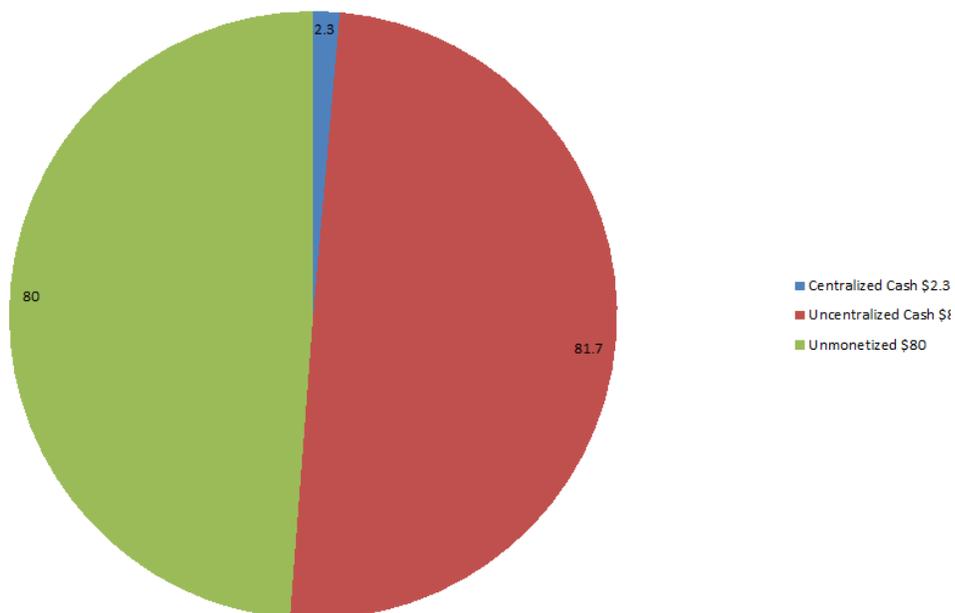
Director, Business Development at Ancestry.com

U of U Professional Certificate

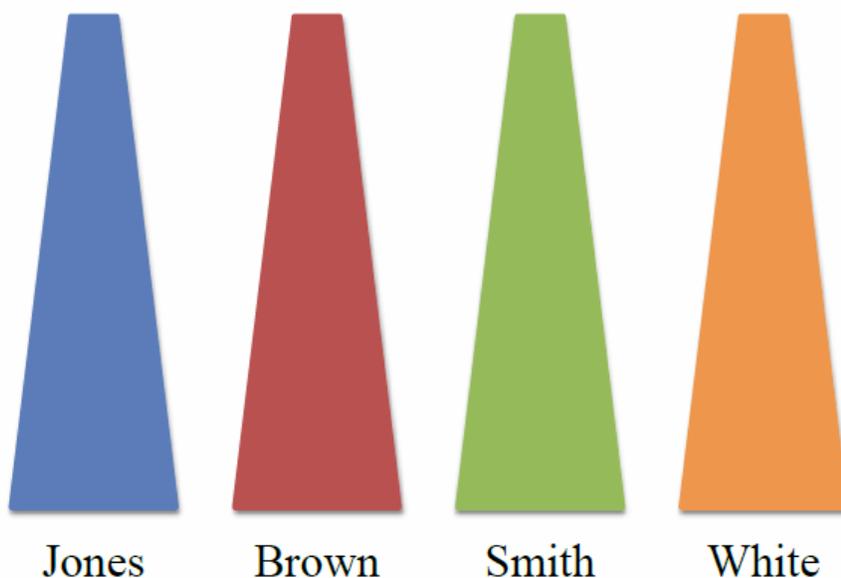
**Genealogy Industry Cash (\$84 billion)**  
Centralized Cash (\$2.3) and Uncentralized Cash (\$81.7)  
in billions



**Genealogy Industry Cash and Potential (\$164 billion)**  
Centralized Cash (\$2.3), Uncentralized Cash (\$81.7), Unmonetized (\$80)  
in billions

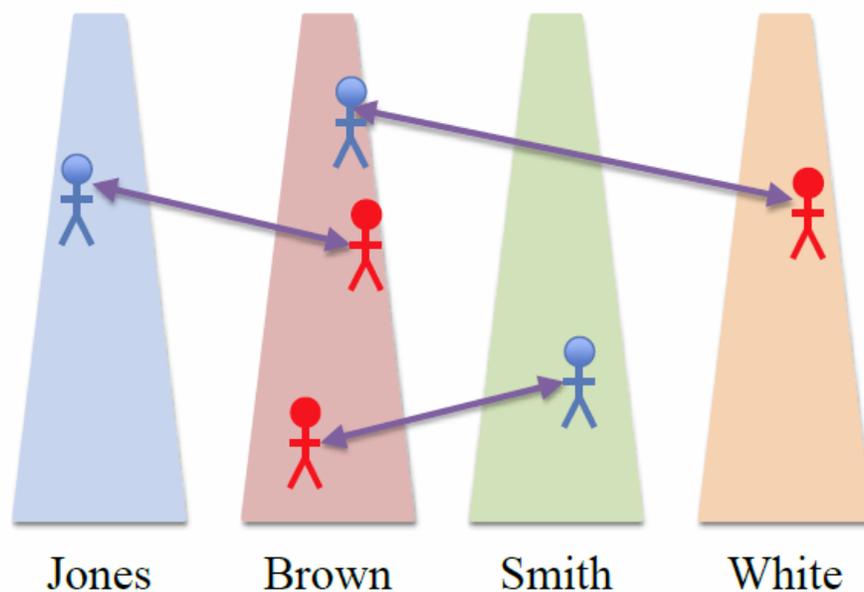


## Descendancy Structures



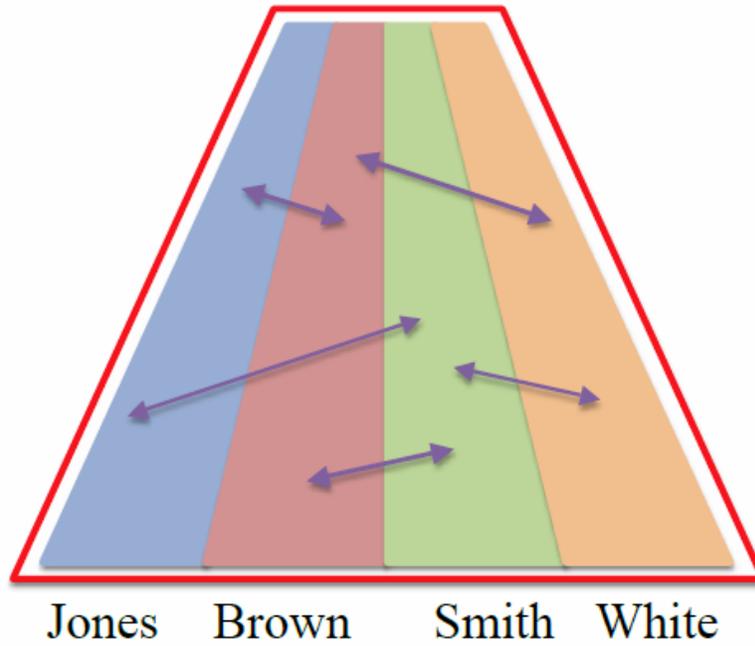
Thousands of already researched descendancy structures are readily available. We enter these into a carefully designed database.

## Link Descendants



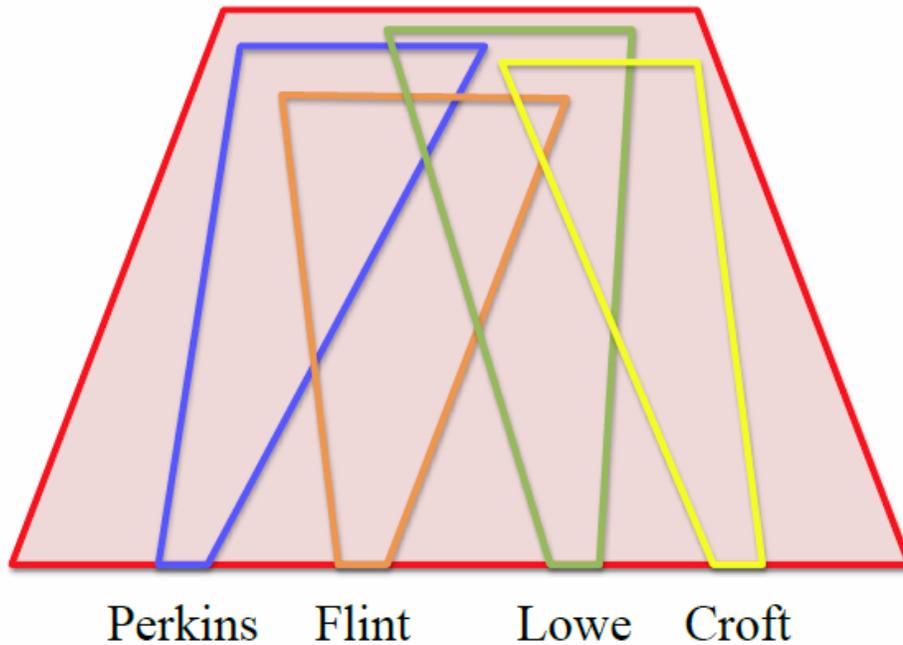
Descendancy structures are linked by marriages. Database allows these links to be easily identified and recorded.

## Combine Descendancies



Through marriage links, descendancy structures are combined into a united ancestry structure.

## Generate and Sell Pedigrees



Individual pedigrees for millions of living persons are generated from this ancestry structure and sold.

[Cover from separate 43-page presentation]

## ProgenyLink.com Project

Requires the blending of many concepts new to the genealogy industry

# Harvesting US Genealogical Data For a \$3 Billion Profit

Cost: \$70 million

An opportunity to take complete control of the genealogy industry  
at a cost of only 5% of the current market capitalization<sup>1</sup>

Resetting the "build or buy" decisions in genealogy research  
so that "buy" becomes the normal and sensible choice,  
rather than researchers deciding to do the work themselves

This is the "iPhone" idea that revolutionizes the genealogy industry  
by giving people what they want before they realized they wanted it.  
(The iPhone product brought in \$200 billion in revenue over the 6 years 2007-2012.)

Quickly moving the world's genealogy main activity from  
(very expensive amateur "cottage industry") "Home Cooking"  
to (inexpensive professional industrialized) "Fast Food"

Assembling a nation's genealogy should be only a little bit more difficult than  
assembling its telephone book, if done using industrial methods.  
Apply Henry Ford-style industrialization to reengineer and reorganize the genealogy industry  
for a 100 to 1000 times productivity improvement

**Basic valuation question:** In an \$84 billion annual worldwide market for genealogical research activity and data, what is the value of owning a complete version of all the finished, fully researched and interconnected basic genealogy for the United States, the most valuable market for genealogy data in the world? Is it only \$3 billion over 5 years?

### **30-second project description:**

By applying new disruptive technology to US genealogical data, harvest \$3 billion in net income by consolidating the already accumulated volunteer and nonprofit data preparation work done over the past two centuries. The major historical contributors include the LDS Church, the nearly one million family genealogical societies active over the same time period, plus the work done in recent decades by various for-profit organizations such as Ancestry.com, MyHeritage.com, etc. Then repeat the process for another \$3 billion net income from European data. This new data product should capture a notable portion of the \$84 billion annual worldwide market for genealogy information and experiences of various kinds.