

Bring to market their RegScan GCS 2.0 Flagship Product, RegScan, Inc. is helping Businesses and Organizations Comply with Federal, State and International Environmental, Health, Healthcare and Safety Regulations

Business Services Compliance Management

RegScan, Inc.
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**Ned Ertel
CEO**

BIO:

Ned Ertel, Esq. – A graduate of Georgetown University Law Center and Dartmouth College, Mr. Ertel joined RegScan in 1999. He has been President and CEO since 2004. Prior to that, he was a Litigation Associate with the Philadelphia-based law firm of Obermayer, Rebmann, Maxwell & Hippel. He also was an Assistant to the Secretary of the U.S. Department of Transportation, and interned in the Office of General Counsel. In 1993, Secretary Pena gave him an excep-

tional service award. Mr. Ertel is also active politically, having been involved in both the 2008 and 2004 Presidential campaigns. He was also a South Dakota State Director/Deputy Director of Operations during the 1996-97 presidential campaign. Ned currently resides in Washington, D.C. with his wife, Jennifer Squires, and their three children.

About RegScan, Inc.:

Founded in 1987, RegScan, Inc. is an innovative leader in the field of electronic regulatory publishing. We offer a wide variety of services, and our facility is a hub of information experts and state-of-the-art technology. Our business scope continues to expand as we apply the knowledge and skill we have developed over the last decade as we branch out into new markets and perfect our technology. Our flagship product, RegScan GCS 2.0 is an intelligent, integrated online compliance system that helps you make smarter choices for your organization. Customize your own legal registers and audit protocols for more than 140 jurisdictions worldwide, and access all your domestic and International data on the same platform.

Interview conducted by: Lynn Fosse, Senior Editor CEOCFO Magazine

CEOCFO: Mr. Ertel, what is the concept for the company?

Mr. Ertel: RegScan is an electronic regulatory publisher and compliance company. We help people comply with federal, state and international, principally environmental health and safety regulations, although we just

added in the last couple of weeks a healthcare component.

CEOCFO: Why did you make the decision to move into healthcare?

Mr. Ertel: With the advent of the new healthcare law, there has been a new need for many companies to follow and track the healthcare regulations both federally and on a state level. We thought there was an opportunity there to help companies comply with the new requirements that will be coming down in the next year or two.

CEOCFO: How does your service work?

Mr. Ertel: Essentially, we are a subscription-based platform where a company, depending on their issues with compliance, will come to us and subscribe to parts of our services or in total. We sell on an annual basis much like a manual magazine and each company buys exactly what they need.

CEOCFO: How are you able to track all the changes in healthcare?

Mr. Ertel: We have an editorial team up in Williamsport, Pa., that tracks the federal and state regulations. We partner with various companies around the world to help us with the international regulatory schemes. It is really an in-house editorial staff that tracks on a daily basis. We interact with all fifty states personally. Everything is here in the US, so we do not rely on any off-shoring.

CEOCFO: Are people aware of your US location and does it make a difference?

Mr. Ertel: We have made people aware. I do not know on a buying de-

cision if it has made a difference yet, but many companies in the regulatory space have off-shored many of their operations. We kept it here in the states. We are able to fix inaccuracies and let the states know that they are publishing mistakes much more quickly. It gives us the ability to get our stuff online much faster than people who off-shore it.

CEO CFO: What is the competitive landscape for you?

Mr. Ertel: We are the only electronic regulatory publisher left in the electronic sphere that is small and independent. Everything else is typically owned by companies that are a billion dollars or greater. We compete with the very large publishing houses.

CEO CFO: Is it a plus for you that this is what you do and it is just a small segment for them or does the size that they have behind them make it more difficult?

Mr. Ertel: Our size gives us a great deal of flexibility to change our processes and adapt to customer requests. We had a customer request last week from a major oil company. They would like to see the data formatted in a different manner than we currently were doing, and we were able to implement that within three days. It gives us the ability to react very quickly whereas with these large companies, it takes a very long time.

CEO CFO: Are people buying an ongoing service from you, are they coming to you for specific information and what is your model?

Mr. Ertel: They come in and we typically retain the 90% plus every year. We have had some of our customers since the nineties. They keep renewing every year or so we hope. They figure out what exactly they need and we begin to offer new services over time, so they may or may not add on to their current subscription.

CEO CFO: How do you reach potential customers?

Mr. Ertel: It is mostly direct marketing. We do many trade shows. It is very difficult to reach our core client so we do some telesales and a great amount of email marketing. We also

do search engine optimization marketing. We have not found much yet on social media although we have tried.

CEO CFO: How are you rolling out the healthcare component?

Mr. Ertel: We have done some initial marketing. We brought on a consultant to touch base with some of the potential channel partners in that industry and value added content resellers. We are going to the major healthcare compliance tradeshow. We are looking at some other avenues to get our name out there because this is a big branch out for us. We were very well known in the environmental health and safety market but not so much in the healthcare. We are trying to figure the whole thing out at this point.

CEO CFO: What was the most difficult part of that solution to put together?

Mr. Ertel: The most difficult was adding the data because the healthcare regulations are so voluminous on the state level. It almost doubled our state level content load, so that was a huge lift and it took us more than two years to build it out. It is huge.

CEO CFO: Is there an international component for you on your basic services?

Mr. Ertel: Yes and we offer several different international solutions through partnerships. We publish full text regulatory content from Canada, Mexico and the European Union. For the other ninety plus countries that we offer solutions to, we have content partners that help us there.

CEO CFO: When you are providing data, are you giving your customers raw data?

Mr. Ertel: We provide a host of things. We have a regulatory monitoring system that allows them to put in either key words or titles of the regulations or agencies they want to monitor. Whenever there is a hit, we send them an email to alert them to a regulatory change. We also have a search engine that allows you to, if you have a specific question, come in and query it and we will pull up an answer for you. Along those same lines, we have

plain English interpretation to tell you what those regulations really mean. Much of the regulatory language is difficult to understand. We help people interpret that with some of our explanatory material. The more common thing we are selling now is the ability to come in and audit your facility. When you build your custom audit for your facility, you are able to extract out of those the regulatory requirements that pertain to your facility so you can build what we would call a legal register, which is a list of all the regulations that apply to your facility. That is important because there are international standards now called ISO standards that require you to build this legal register for your facility.

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- Ned Ertel, Esq.

ties. That has been a big seller for us too, the ability to build seamlessly your legal register.

CEO CFO: Are most new companies coming to you as first-time users of similar data or are they replacing a system they might already be using?

Mr. Ertel: In the environmental health and safety market, it is a mature market. Therefore, our solutions offer significant advantages over what they currently use, so they are coming to us to enhance what they do currently in general.

CEO CFO: When you provide interpretation, how are you sure you are getting in right?

Mr. Ertel: We have third party providers for that, so we actually have

partnerships. We are trusting them as it were.

CEO CFO: How is business in general?

Mr. Ertel: Business is up significantly for us. Last year we saw in the second half of the year a dramatic upswing, and we are seeing it this year as well through the first 29 days. It seems to us that large corporations are once again looking to buy services to help them enhance what they do. I think they are out of the retrenchment mode that we have seen for the last three and a half years before that.

CEO CFO: What do you see six months or a year down the road?

Mr. Ertel: From our perspective, business is going to go dramatically upwards for us. From what we see more manufacturing is being reshored to the US. People are worrying about compliance again, which is usually a lagging indicator of a turnaround in the economy. We think the economy is going to get much strong-

er over the course of next year. We are cautiously optimistic for the rest of the year.

CEO CFO: Are you ready for the demand?

Mr. Ertel: We are ready for the demand.

CEO CFO: Why should the business and investment community pay attention to RegScan?

Mr. Ertel: We are trying to branch out and get into new spheres, like the healthcare market specifically. We are looking for opportunities to expand what we do beyond our core environmental health and safety market. We are still building that out every day and we are launching a new product there tomorrow. We see many opportunities for our basic platform in other areas. That is why people should be watching. Compliance only happens if you are in a good economy and will be cut otherwise. As we go, so does the US economy.

CEO CFO: Would you like to talk about what you are launching tomorrow?

Mr. Ertel: We just partnered with another international consulting firm to offer 90- plus jurisdictions of audit protocols and legal registers. You can access that information the same way as you would our core US data, so if you are sitting in Topeka Kansas or Khazakistan, you can use the same technology and interface to build your legal register in your audit. It is a dramatic leap forward in the environmental health and safety community.

CEO CFO: What should people reading about RegScan remember most?

Mr. Ertel: What they should remember most is that we are a very innovative company who is always trying to use technology and content to make compliance as easy as possible for the end user.



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