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1010data, Inc. Provides a Cloud-Based Platform that Unifies Big Data and Analytics for Data Discovery—Easily and Inexpensively Delivering Actionable Insight from Large Amounts of Data for Retail, Manufacturing, Telecom and Financial Service Enterprises

**Business Services
Big Data**

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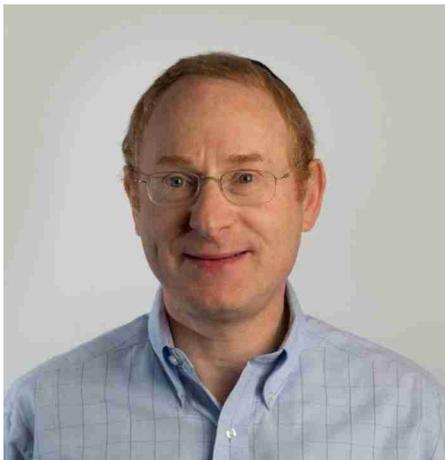
**Sandy Steier
CEO**

BIO: With more than a quarter century of industry experience, Mr. Steier is recognized as an innovator behind the adoption of advanced analytic technologies by financial services institutions. Before co-founding 1010data, Mr. Steier was a Vice President and manager of research and technology at UBS North America, where he supported several trading desks and contributed significantly to the evolution of the firm into a leader in the use of advanced technologies. Previously, as Senior Vice President at Lehman Brothers, Mr. Steier led the effort to migrate mortgage-backed securities analytical programming from mainframes to workstations. Earlier in his career, while a Vice President at Morgan Stanley, Mr. Steier was responsible for product development and analysis of fixed-income securities. He pioneered the research and development of many complex financial instruments and designed and implemented the software required to analyze them.

About 1010data, Inc.
1010data provides a unique, cloud-based platform that unifies Big Data and analytics for data discovery. It is used by hundreds of the world's largest retail, manufacturing, telecom, and financial services enterprises because of its proven ability to deliver actionable insight from very large amounts of data more quickly, easily and inexpensively than any other solution.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Steier, would you tell us about 1010data?
Mr. Steier: We are a technology company. The products that we offer are self-service analytics tools, for data discovery. We believe people in any organization should be able to get to whatever data they have rights to and as much data as possible, even so called "big data". They should be able to analyze and explore it however they like in the most general possible way. We provide that service in a familiar "spreadsheet" like way. As I said, we even do this on big data, which is very unusual. That is because most business user friendly tools typically cannot deal with enormous amounts of data. However, we can.

CEOCFO: Big data certainly is a popular buzz word these days. What have you figured out on how to get it all to work and be useful for a company that perhaps others have not?
Mr. Steier: I think it is our background, which perhaps we can get into later; the history of where the founders come from and the way that we think. However, the approach that we took is one where we said that the spreadsheet is a great model. Business users all over the world use spreadsheets to do analysis. It is by far the most successful business data analysis product that has ever existed. In fact, Excel or spreadsheets were the reason why PCs became common in the world. That was the original "killer app". It is used now, more than anything else. The problem with spreadsheets, of course, is that they cannot handle large amounts of data; they can only handle tiny amounts of data. By solving that problem [handling large amounts of data], which we have done, we suddenly make the most popular analysis paradigm in the world applicable to even big data. You cannot go wrong with that approach because we know that spreadsheets work.

CEOCFO: What was the hardest part, technologically, to put together? How did you solve the challenge?
Mr. Steier: It is not an easy thing, technologically. The way that most technologies work is as follows; in order for them to be able to deal with very large amounts of data, which requires a certain amount of computing resources and other various techniques, what people normally do, because it is a big problem, is to apply big complicated solutions. That is a

standard way of doing things. One of the side effects of that is that the solutions are extremely limited. They are designed for speed, but that means that if they are designed for certain kinds of analysis, then that is the only kind of thing that they can do. In order to get the speed they have sacrificed flexibility. It is the idea that someone who is good at running a short distance run in the Olympics is not necessarily the person that is going to win the marathon, because they train for the short sprints. Most systems are built that way. They are built for particular uses. The spreadsheet is a very general use case. You do not know what the user will do when they open up a spreadsheet. It is a blank slate. Therefore, building technology to support that kind of use, where the user may conduct ad hoc analysis with big data, is incredibly difficult. To support that kind of thing you really need some very powerful software. It is not easy to do and I think we have successfully solved the problem. It comes from spending a lot of time here at 1010data, but it also comes from our previous roles on Wall Street.

CEOCFO: What do you bring to the table from previous experiences that is most applicable here at 1010data?

Mr. Steier: Both myself and my co-founder, Joel Kaplan, were on Wall Street. One of the things that we discovered in our particular roles was that we could do the business of Wall Street - in my case it was a corporate finance, banking, bond issuance type of role, in Joel's case it was stock trading - we could do the business that we were supposed to do and the technology at the same time. The reason why we were able to do that was because we found technologies, way back when; this was the 1980's, which enabled us to do the business and do the technology, because the technology was simplified. Just the way a spreadsheet simplifies technology for the business user, we had technologies which, conceptually were like spreadsheets. It allowed us to do very advanced types of technical things without spending a lot of time and mental energy on the technology.

From our experience, we had found these technologies way back when and used them very successfully in our respective careers. When we left Wall Street we thought that it would be a good idea to bring those techniques and technologies to the general market. We founded 1010data to do that.

CEOCFO: Would you give us an example of something that is able to be analyzed that people would be surprised that you are able to put together?

Mr. Steier: I will give you a couple of examples; one from my home, Wall Street. I will also give you an example from retail. The Wall Street example that I will use is in the area of mortgage backed securities, which I am not going to get into much detail about. I think most people have heard of mortgage backed securities, unfortunately, these days. They are very complicated securities, backed by mortgages; loans on homes. What is interesting about those securities is that what an investor is essentially doing is buying into many home loans, potentially tens of thousands of them at a time. This means that there is a lot of data out there about all of the loans, for example how the borrower has been paying, if they have been paying on time, etc. Then you are supposed to try to figure out if the homeowners will continue to pay on time; because if I expect a cut of what homeowners are paying on their monthly payment then I want to know if those monthly payments are going to continue or not. Therefore, you need a lot of data to support that type of analysis, to try to figure out what is going to happen with particular loans. One of the interesting things that we brought to the table, this goes back a few years now, is anonymized consumer credit data. Statistically, we have a lot of information about a lot of loans and a lot of information about borrowers; the homeowners. We can basically enable our clients to match

up these data assets without actually knowing who the person is. This type of statistical match gives the mortgage back security trader and investor a tremendous amount of useful information, without revealing who the person is or where they live. While retaining the privacy of the borrower, it is nice for the investor to know that the person who is paying on this mortgage also happens to have a bunch of credit cards and is maxing out on those credit cards, which tells you that potentially they may default on their mortgage. That is one example of something which I think is very sophisticated. It is particularly interesting because it does involve some interesting data and yet we protected the consumer, which of course is very important. In general, I do not believe that doing all of that data analysis would jeopardizes people's privacy if it is done in the right.

An example from retail is that retailers, and large retailers especially, sell many products to many people in different stores. When someone goes into the store they buy a product, plus a bunch of other products in the same shopping cart. The manufacturers of those products are known as CPG companies, or Consumer Packaged Goods companies. Those are companies like Procter and Gamble, Johnson and Johnson, Pepsi, Coke and all of the other companies who actually make the product that the retailers sell. To someone like Procter and Gamble, for example, it would be very interesting to know how their products are selling within the retailer. Not just on an aggregate basis, but on a detailed basis. If Procter and Gamble makes Bounty paper towels the people at Procter and Gamble would like to know when someone buys a package of Bounty paper towels, what else they are buying. Are they buying other Procter and Gamble products? Are they buying a competitor's product? Maybe I can offer some sort of coupon to get them to buy a Procter and Gamble product instead. It just tells them something about the consumer's buying pattern. It tells them about where their products are sold and at what time of day.

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>
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There is a tremendous amount of very valuable information there that they could use.

We enable large retailers to share data with CPG companies (the suppliers) to essentially see all of the retailers' relevant data and to derive tremendously valuable analysis from that for their own marketing and product development campaigns. The ability for a company to share vast amounts of detailed data with another company is a profound idea. It is something that, nowadays, consumers do all of the time. That is because you just have to put something on the web and Facebook and everyone else can see it. People are sharing data, but companies do not share data and they should. We enable that.

CEOCFO: How do you reach potential customers?
Mr. Steier: The usual ways. For most of the thirteen years that 1010data has been in existence we were operating at a sort of "stealth mode", if you will. We did not really want too many people to know what we were doing, especially our competitors. The last few years that has changed.

We are doing the things that most people do. We have referrals. We do various conferences. We do advertising. We do various kinds of public relations, of which this interview is an example. We try to reach people and make them aware of what we are trying to do. There is a little bit of an education process involved, because what we do is unusual. People do not think of the spreadsheet idea as applying to big data. That has been one of the challenges that we have had, but we are overcoming that challenge. Certainly, the whole Big Data movement and the data discovery movement and all of these newer concepts that have emerged are helping us.

CEOCFO: Are there particular industries of focus for 1010data? Is it by design or opportunistic?
Mr. Steier: What we provide is not necessarily tailored for a particular industry, in a sense it can be applied to any industry, just as Excel could be applied to any industry and is in fact applied to probably every industry on the planet. However, we are a little more focused and are involved in telecom, gaming, healthcare and pharmaceuticals. However, the two industries that we have had the most success with so far and where we are putting the most focus is the capital markets part of financial services and retail. The reason for that is fairly simple. We are in financial services because that is my background and it is an obvious thing in New York. Therefore, it just made sense for us to go into that business. It was a business that we understood, we had some contacts, we could just take the subway down to the customer and see them. You do not have to do a lot of traveling. Therefore, that is where we really got started. In fact, the New York Stock Exchange was our first customer. Retail was less obvious. I remember that one of the people at 1010data said that he was standing in line at a supermarket watching the products being scanned into the cash register and realized that that data must be going somewhere and thought that for a large retailer that must be a lot of data. Therefore, we started to pursue that and we met with some success. That blossomed into what is now a very successful segment for us. Those are the two that we have focused on. Those are the two that we are continuing to focus on and we have new initiatives in both capital markets and retail. There are new ways of approaching customers, new value propositions and so forth. However, we are looking at other segments as well. As the segments that we are currently focused on mature, we have plans to expand into additional segments.

CEOCFO: What surprised you the most as the company has developed so far?
Mr. Steier: That is an interesting question. I would like to say that I have complete confidence in everything that I do, but in fact when it is successful I am sometimes surprised by it, even if I have confidence. There is much that can go wrong. Much has gone wrong. I think that must be true of every company. However, we have been successful. That is on the positive side. On the negative side, it is surprising to me that other people are not doing more of the kind of thing that we are doing. I think that the technologies and techniques that we employ here at 1010data are techniques that I was using thirty five years ago on Wall Street and elsewhere. It is interesting that those techniques have only recently begun to be recognized as valuable. People did not really think about them. Did they not understand them? I am not sure what it was, but it is surprising that the world changes as slowly as it does. Maybe this is not a nice thing to say, but I would like to say that ten years ago we were twenty years ahead of our time. It is not even so much that that is a positive statement about us. I am surprised at how slowly the world has come around to seeing certain things that are obviously beneficial.

CEOCFO: Why should 1010data stand out to investors and people in the business community? What makes 1010data exceptional?
Mr. Steier: We are exceptional because we simplify things. We basically provide business users the ability to do things on their own without having to rely on a complex technology infrastructure. Cloud-based technologies is something the investment community appreciates, probably more than almost any other industry. It is common in financial services for a trading desk, let's say, or portfolio manager to have a lot of discretion over the technology that they use. If they think something is useful they can just buy it. They like things that they can just do on their own. This notion of self service is not only an important thing to people on Wall Street, but it is actually a venerable thing to people on Wall Street. It is something that they have done for many, many years. It is not some new strange thing. In other industries it might be. In other industries that are more reliant and more dependent on more elaborate infrastructures it is not so true. However, on Wall Street people are used to doing things themselves. I myself have seen people do unbelievable things with Excel. If they can do unbelievable things with Excel on their own, then they should be able to do even more unbelievable things with 1010data. Again, there is not a

lot of investment. There is not a lot of investment in both money and in terms of learning and training. People can get it up and running quickly and therefore get value out of it quickly. We have been around for thirteen years at this point, which is almost ancient. We became profitable in 2005. We continue to grow. We have over two hundred and fifty customers, most of whom are household names. In certain areas of the capital markets almost all of the players use us, whether they are on the "buy" side or the "sell" side or rating agencies or anyone else involved. I am optimistic that we will continue to see that kind of growth in the future.

1010 data