



**Offering Merchants Complete Solutions to Mobilize and Enhance the Customer Experience, CARDFREE has a Unique Perspective from a Variety of Sources That Is Architected to Handle a Wide Array of Channels**

**Business Services  
Mobile**

**CARDFREE**  
110 Sutter Street, 7th Floor  
San Francisco CA 94104  
415-735-6310  
www.cardfree.com



**Jon Squire**  
CEO

**Diane Hong**  
Head of Marketing

**BIO:** Jon Squire has more than 19 years of business, marketing and product development experience in financial services and emerging technologies. Most recently, Jon was CMO of CorFire, SK C&C's global mCommerce headquarters where he led the deployment of Dunkin' Donuts Mobile. He was also SVP of Mobile Payments at mFoundry where he spearheaded the Starbucks Card Mobile team and helped create the first mobile wallet initiatives in the U.S. with retailers, carriers and financial institutions. Between his work at CorFire and mFoundry, Jon has been involved in the two

largest mobile payments programs in the nation.

Jon has consistently driven innovation and created world-class product offerings in new categories. He launched the first national mobile P2P offering in partnership with Sprint and PayPal and is well known for his leading edge work with NFC, barcode and alternative technologies that integrate with the point of sale. Earlier in his career, he also led mobile/e-commerce payment initiatives for Wells Fargo and ran E\*TRADE Advisory Services.

**About CARDFREE:**

From the team that deployed the two largest mobile commerce initiatives in the U.S., CARDFREE offers merchants a one-stop solution to mobilize and enhance the customer experience for maximum ROI. Sharing a track record of bringing innovative solutions to market, our team has a unique 360-degree perspective coming from large merchants, mobile, financial services and payments.

CARDFREE offers complete, integrated solutions for merchants from mobile and online through POS. With the ability to leverage existing integrations into most major POS systems and deep data analytics, our end-to-end capabilities give merchants unparalleled visibility into their customer base. We are a white-label partner working behind merchant brands, providing tools that drive incremental visits, larger ticket size, tender preference and more meaningful engagement with consumers.

**Interview by: Lynn Fosse, Sr. Editor**

**CEOCFO:** CARDFREE is "Making Merchants Mobile". Would you tell us how you do it?

**Mr. Squire:** CARDFREE is an omni-channel, white labeled solution that provides a whole host of mobile commerce solutions, including and cutting across loyalty, prepaid, offers management, CRM, deep data analytics, and order ahead capabilities. The omni-channel piece specifically to your question about "how we do it" cuts across mobile, online, and actual integration at the point of sale (POS). We are architected in such a way that we are a web services-based shop and a medium with which the merchant interacts with the customer is usually via mobile and then tied to the POS, but we can handle, again, across those different channels depending on what the merchant solution set is. We are different than a lot of folks in that we are not specifically focused on the mobile payments piece, although that is part of our equation. It is really the holistic mobile experience for the consumer.

**CEOCFO:** It should be pretty obvious, but what are the advantages to your customers of that holistic approach?

**Mr. Squire:** For a lot of them it is an end-end solution that they can rely on one vendor for. A lot of cases they are talking to multiple vendors; five to six to seven to roll out a mobile base solution set like Starbucks has historically, or even Dunkin Donuts. There is the piece that is the end-end piece, and that is both from a vendor standpoint, but also from an economic standpoint. We can do some interesting things around our economics because we are not hyperfocused on one

particular solution set. And then the other components really tie back to the white labeled side. So we are never going to compete with them in the branded side of the equation for their customer base. Our entire focus is literally buoying their brand and then creating that direct channel for them to speak one-to-one with their customer.

**CEOCFO:** Do you find that companies, in general, understand the concept of “all under one roof”, or are they slowly coming to realize they need to coordinate their efforts?

**Mr. Squire:** It tends to be where they are in the lifecycle of understanding mobile. If they have been looking at this, and a lot of cases we did not announce until the middle of December. Folks already had RFPs out, and they were disillusioned with their responses and exactly what you are asking—sort of the piecemeal things that were coming back. If they are in the process of having looked at it for a while and understanding the pain of what it is going to take to put it together, most of the people we talk to seem to love the concept of having it under one roof, and growing with us as we grow with them as well. And we typically iterate, so not everything comes out in obviously the first release, but we work to build the custom tools that make sense for them. If they are newer to the space, I think there tends to be just a lot more confusion in general, but that is less about really working with one vendor versus multiple, and more about, “Is this a new cost center for me or is there a real return on investment (ROI) to be had here?” That is usually the early part of the discussion is actually breaking out the ROI for these folks and helping them understand how the different components actually make this a completely new revenue channel for them.

**Ms. Hong:** And one other thing to note too is, as Jon mentioned, depending on where people are in the mobile lifecycle will dictate how they feel about the integrated solution, but especially for companies that are in the mobile wallet area that have been looking at the space and sitting in the space and trying to create solutions

that cut across the different pieces that we do including: offers, loyalty, and payments. They are desperate, I suppose for an integrated solution because of the ease of implementation, but also it obviously makes the solution set more powerful if it is working together the way that it should. We as a management team saw that there was a gap in the marketplace for a platform that pulled all of the different pieces together. So we have definitely seen a market need, and the response from the market has validated that we are filling in this thing that was a hole.

**CEOCFO:** What were the challenges in putting the technology together?

**Mr. Squire:** We were lucky, and a lot of times it was because we had an investor who had already been putting a lot of money and sort of horsepower behind a lot of entities we were leveraging. So rather than having to build a platform from scratch, we are actually in the process of refactoring a platform that had already been under

**“Our singular focus on merchants versus banks and carriers and everything else that mobile can stir up is very unique.”- Mr. Squire**

way for a number of years. Typically though, when you are looking at something as broad as the functionality we are taking on, it would be a massive effort to get this up and going out of the gate. You would have to pick one particular focus or domain like loyalty and just go after it. We have also got some channel partners and a sister company in restaurant sciences that helps us with the data analytics piece. But the challenge really is about putting the platform together and keeping the focus of the team around execution and picking the right first-hand full of core partners right. So for us, it is who is going to be able to innovate, who is going to be able to change a consumer behavior, and who are you going to be able to deliver what we think is the ultimate experience to their customer base. Picking that, those handful of customers and then actually marrying that up with our two previous national executions as a team is really our core focus and for us, as any startup,

staying focused on just that and not over-expanding what we want to do in this first year.

**Ms. Hong:** But from a marketplace perspective, if you want to talk about challenges of putting an integrated platform solution together, since Jon responded specifically about our challenges- the marketplace challenge of creating such a solution is getting those different pieces and getting best-in-class market pieces together right. So the data piece that Jon talked about that we have access to, our portfolio partner company restaurant sciences, we have access to the richest restaurant data in the industry. That gives us a great head start in terms of being able to inform our platform with very rich data, which will only get smarter as we work with our respective customers. The data piece is something that a lot of companies talk about and that they are building from scratch. They do not have access to this national data set as we do. The other challenge too is that most other companies in this space do not have the experience of having national and global commerce deployments which we have. So I think the experience, the scale, having the right pieces to put

together are what precluded other companies from being able to have a mobile commerce platform that is able to handle the national merchants that we are dealing with at the time.

**Mr. Squire:** Diane makes a really good point. As much as it is to stay focused and to execute, and to obviously know which pieces to build with your partners, it probably is just as much on the pitfall side that we have learned through these deployments that help us with the market, and help us actually council our partners as they approach the marketplace, what to avoid, what to do first, and to have a stage to release.

**CEOCFO:** How do you stay on top of the changes that seem to happen every day in technology, mobile, and in general? How do you know what to pay attention to and what is likely to go by the wayside?

**Mr. Squire:** It comes back to a lot of the same points we just made, which was having done it a couple times

before and sort of knowing where that pain point is. We try to stay focused on pieces of the equation where we know we can influence our partners' business models if you will. And then obviously the technical aspects of that that you can make what worked before work better. The second piece, which is just as important, if not more important to us is from the market back. We typically understand what both our customers' needs are and their assets at the table. Some cases it may be brand equity, it may be a hugely popular social network brand that we would obviously look to leverage those social networks, and that will inform the mix of technology we bring to bear. But as far as what is going to be NFC, what is going to be barcode, what is going to be a short code, or one time authorization; we apply our solution because it is web services and API based. It could be very technically agnostic, and for us that ultimately ties back to the appetite for friction that our merchant partners have, which is usually very low, having to have to focus on the retail occasions more so than this new whatever it is going to be mobile technology. So we create a technically agnostic platform that does not matter if it is NFC or barcode, and if they want to go down the path of exploration with things like NFC, we will certainly pursue that on their behalf. And if they want to go down sort of a path that works with the equipment they already have in place we will do the same. This is a way of saying we are trying to be as flexible as we can and not make one bet on a technology. It is really more about the commerce in general and the solutions that get them to interact with that brand that are the important pieces, and that ties back to what Diane was saying about data, that loyalty, the offers, and in some cases payments.

**CEOCFO:** You launched quite recently. What has been the timetable so far, and what is the **timetable the next six months to a year?**

**Mr. Squire:** We will be focused on really those first three to five partners—we have said that publicly now—and really in some ways closing the doors and just executing for those

partners. Those will be direct relationships with larger merchants. And outside of that, we will be partnering with one or two key channel partners; and those channel partnerships will then take our core product and expand us into the medium-sized merchants and the long tail of the market. The first part of that has already begun—the direct relationships with those first three to five. The second six months is really going to be about that channel partnership, and that may be one or two. That will be kind of what encompasses the first year, as well as obviously the refactoring of some aspects of that platform, as well as building out a new functionality that we to your earlier questions see an appetite in the market for; and that could be around gifting, it could be around paying differently or paying in the cloud. It really depends on, again, what we are seeing from our partners.

**CEOCFO:** Is your team in place? Will you be looking to make some additions?

**Mr. Squire:** We are always looking for obviously smart, new folks to join the team, but this team is largely in place at this point. The core group of us have worked together for the past six years in different capacities. I was a vendor to a lot of the folks that are now on our team. We have been also very cognizant; that is the big difference between us and a lot of players in this space of not just hiring folks, like myself or Diane who came from the mobile side of the team, but from the merchant side as well. We have a very well-rounded sort of view point on what the merchants' needs are because a lot of folks on our team came directly from the merchant side. We have got five or six folks—Chuck Davidson and Sen Wen who came directly from Starbucks and worked on this first what many think the gold standard of national deployment.

**CEOCFO:** Is CARDFREE funded to get through the next steps?

**Mr. Squire:** Hopefully! Yes, we raised a Series A of ten million dollars, which should take us considerably further down the road, and we are not looking at this point for any further capital.

**CEOCFO:** Did you raise the money on the merits of the project or more so on your background?

**Mr. Squire:** It was a combination of the vision and the team. Jeff had a very strong interest in this space—Jeff Katz, who is the investor was the founder of Mercury Payments. He had made a bunch of investments around this space that were more focused on probably the physical attributions of the space for payments. He and I started a dialogue a year or so back with a very common vision of where mobile and sort of the virtual markets could go. I think it was a common belief in where all of these things could come together, and then a natural bringing together of assets he had probably put in place or in motion, as well as the team itself. He was a big believer in the team.

**CEOCFO:** Why should investors and people in the business community pay attention to CARDFREE today?

**Mr. Squire:** We have a very unique story in this space; where our approach, again, is really focused on enabling our partners, and specifically our merchant partners. Our singular focus on merchants versus banks and carriers and everything else that mobile can stir up is very unique. And then, again, this omni channel approach of being able to be a single point that can provide an integrated solution for. That merchant on behalf of that merchant brand is a very unique offering and very compelling for our partners.

**Ms. Hong:** To your earlier question, I think in terms of the timing of the company is also well timed, because the market seems to be ready and a number of the merchant companies seem to be ready to really embrace mobile; not only as a new channel, but they do see it as the opportunity to learn about their customers for the first time in a lot of cases. The kind of discussions we are having with merchants we are seeing go across enterprise. We have seen an evolution from what and how the merchants are viewing mobile, which has been nice.



# **CARDFREE**

**110 Sutter Street, 7th Floor**

**San Francisco CA 94104**

**415-735-6310**

**[www.cardfree.com](http://www.cardfree.com)**