

Global Digital Advertising Connecting Consumers with Brands

**Business Services
Digital Advertising**

CPXi
1441 Broadway, 18th Floor
New York, NY 10018
646-863-8309
www.cpxi.com



Michael Seiman
CEO

BIO:

Mike Seiman is the CEO & Chairman of CPXi, a global digital media company that he co-founded while still a college student at Hofstra University in the early 2000's. The company has grown quickly and is now a major player within the crowded online advertising landscape, serving over 180 billion ad impressions in more than 65 countries every month. CPXi continues the rapid growth that led to its inclusion on Inc. Magazine's list of fastest growing privately held advertising/marketing companies in 2008 and 2009. Mike was selected as a semi-finalist in Ernst & Young's Entrepreneur of the Year initiative in 2009, 2010, and 2013.

In his free time, Mike currently serves on the Board of Advisors of his alma mater, Hofstra University. He also focuses on numerous philanthropic initiatives including sitting on the boards of the H.E.S. (Hebrew Educational Society non-profit community center) and Children's International, where he spearheaded the development of a community center in Guayaquil, Ecuador.

Also a fan of the arts, Mike has executive produced a feature length film distributed by Lionsgate.

About CPXi:

CPXi is a global digital media holding company with over a decade of experience connecting consumers with brands. The company has four primary divisions: bRealTime, offering programmatic solutions for both demand and supply side partners; Simplicity, providing full service media execution for brands, agencies and direct marketers, Affiture, an affiliate network driving performance objectives, and; AdReady, providing a self-serve platform for programmatic creative and media placement. CPXi provides multi-screen messaging, leveraging display, social, mobile and video advertising at scale, serving over six billion managed impressions daily. CPXi is a privately held company. For more information, visit www.cpxi.com.

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

CEOCFO: Mr. Seiman, what was the vision when you founded CPXi and where are you today?

Mr. Seiman: When any entrepreneur starts, he wants to be his own boss, he wants to build his own company,

his own culture and his own reality as opposed to working for someone else. At the time, I also knew that there was going to be a means to advertise through this new internet concept. I explored that realm in the early days of advertising online to create what CPXi has become today.

CEOCFO: What have you created? What do you do today?

Mr. Seiman: Today we manage both sides of the landscape of online advertising: both advertisers and publishers. We manage relationships with the content owners (publishers); whether they are application traders, website owners, all the way up to large conglomerates like CBS, ABC and companies like that. We manage their participation or pieces of their participation in the online advertising ecosystem. On the other side we manage the advertiser relationship and the pieces of their participation in the ecosystem; whether it is through an agency, a direct brand, a lead generation marketer or any of the like. We provide them with tools and services to connect to our publisher base and other publishers in the ecosystem and likewise help the publishers to connect to that advertiser base and advertisers in the ecosystem.

CEOCFO: Would you tell us what happens day to day?

Mr. Seiman: Day to day we are calling on content creators. It could be anyone from *The New York Times* to a mommy blogger. We are asking them if they would like to participate in our online auction of advertising through display ads. We provide them with brands and advertisers who, for instance, want to serve pre-roll videos before their content. We are calling on

them and marketing to them to join our ecosystem. We have people who are managing those accounts once they join, calling them, emailing them, making sure they are happy, giving them customer service and finding out where we can do a better job. We find out what they need to sustain their businesses and to be profitable. That is how we participate on what we call the publishers' side of the ecosystem. On the advertisers' side we are calling on direct marketers. We are calling on little advertisers and on medium advertisers, agencies and holding companies. For a perfect example, we may be calling Allstate® and saying, "Allstate, we have a solution to provide you with the ability to micro target different markets, we have thousands of iterations of ads—called 'creatives'—through our platform where you can reach and message different audiences on a one-to-one basis through all of the inventory that we represent." It is a big deal.

CEOCFO: What do you understand at CPXi that perhaps others do not?

Mr. Seiman: I think our understanding is that this ecosystem today is very fragmented and there is a lot of money running through it. There is a lot of private equity, there is a lot of venture capital and angel capital being infused into "what is that next thing that is going to disrupt this market and take market share away." I think the way that we look at it is, we believe the true scale of a business, to compete with the likes of a Google or an AOL or a Yahoo, means that you really need to control both sides of the ecosystem. Much of the evolution of online advertising world that has changed over the past decade, is that people want to build companies that placate to one or the other side. I think that the one thing that CPXi does differently is our understanding that we need to be connected to both sides to really understand how to build a more holistic platform and solution that can provide the most amount of value, both in terms of service and monetary gains, for both sides of that equation. We believe that not everyone in this space is looking

at the fact that companies like Google or AOL are really trying to control that whole loop and at some point, if it behooves them, they can cut out anyone they want. Big public companies that have built their monetizing on Google, on either side of the equation, might have a problem in the future. Therefore, when we look at that equation and we decide how we are going to build our future, we make sure that we have a competitive closed loop system. That means that we own both sides. If Google decides to close their loops, we can still evolve in our own ecosystem and build a competitive offering.

CEOCFO: When you are talking with a prospective customer on either side, do they understand the difference? Is there an "aha moment" when they grasp the concept?

Mr. Seiman: Yes, absolutely! We have evolved our offering to adapt

"We have been profitable for many years and continue to be. We are a "bootstrapped" organization that has grown organically from a small start up to a global digital advertising company, all in a relatively short amount of time."- Michael Seiman

with how the ecosystem is evolving, at the same time staying true to our vision of owning that ecosystem. Therefore, rather than pitching to a publisher and saying, "We are Google and we do everything," which is really the holy grail, we have multiple divisions with general managers who run each division and are able to speak to each specific product and service. Having each of our divisions under the same roof makes us that much more efficient. Each division plays into how this ecosystem has been disrupted over the years. We have a specific division that just focuses on the publisher and specific divisions that focus on platform solutions for advertisers as well as managed services for advertisers. One of the benefits when we talk to either client is that we are providing a specific divisional service that they understand, because they are being pitched the same offer from someone else, so they "get it". They say, "That

is just like company X that has pitched me last week. I understand that service and I know I need that service, but at the same time I understand this ecosystem and I see that you have these other divisions that play in other areas that are going to benefit me directly because you own both sides of the rail; whereas the other competitor who just pitched me for this specific service does not own both sides of the rail. That means I potentially benefit from increased margin of you spending those dollars on either side." That margin makes a big difference to our clients.

CEOCFO: You recently acquired AdReady. What does that add to CPXi?

Mr. Seiman: It adds a tremendous amount of value. We have operated a platform on the publishers' side of the business, while on the advertisers' side, we have historically managed a closed platform; meaning it is *our* platform. It is not open. It is not white-labeled. It is not self-service for those advertisers. It is just for us to manage the inventory that they want to purchase. AdReady operates very similar to that business, except they have a platform that is open and self-serve for those advertisers. Therefore, those advertisers can get in and they can manipulate their own campaigns. We are able to have a full system that allows both the advertisers' side and the publishers' side to connect in an automated fashion through one platform.

CEOCFO: Do you see additional acquisitions going forward? Are you actively looking or would it be more opportunistic?

Mr. Seiman: We are actively looking. However, at the same time, it should be opportunistic as well. Most likely, what we are looking for is in two parts. One would be companies that provide more services and have some sort of scale, but need to scale higher. They would have clients that we do not have on either side of the rail that we can infuse and provide them with platform solutions. Someone who looks like we did five years ago when we did not have our own platform

pieces on both sides. A company that could benefit from that value, especially if they are globally positioned in different regions where we are not; maybe that is in Asia, maybe that is in Europe and so forth. Alternatively, we would also be looking into technology for central acquisitions that fit pieces that would ultimately stack onto our platform. For example, a very strong social or video platform would be interesting pieces for us.

CEOCFO: You started the company when you were at Hofstra. What did you learn in college that has been helpful in your business life? What have you learned, good or bad, which has helped you know what not to do as well as what to do?

Mr. Seiman: Part of the college experience and education was not just learning one discipline. I studied computer science and computer engineering, although I do not practice those disciplines today, I have many people in my organization who do. Learning that, and because my business is so technical in nature, gave me the ability to relate to those types of people, what it takes to code and what kind of job skills that entails. Therefore, it has allowed me to relate to that engineering side of my

business and understand what they are doing. I think that is very valuable in such a tech heavy world that we have today. However, at the same time, college gave me that well-rounded education to understand psychology, sociology, business, and really understand what it is like to lead and interact with employees on a day-to-day basis. It has helped me to understand what it is like to be an employee working for someone else; what goes through your mind and what your thought process is. I think I learned a lot of that ability to hand hold, to lead a company, to lead people and to understand how to work in that ecosystem. In today's world, I think many young people who start businesses before college miss out on that.

CEOCFO: Giving back is important at CPXi. Why and where is your focus there?

Mr. Seiman: I was raised with the notion of doing good things and giving back to those in need. Success begets success and it is your duty, if you will, to give back to society and build that equal balance by helping people in need. I have been doing that since I was in my teens and it has just gone on and evolved with me. I try to engrain that in my employees and in

the culture at CPXi and our philanthropic division, CPXample.

CEOCFO: Why does CPXi stand out as an exceptional company for investors and people in the business community?

Mr. Seiman: There are many different ways you can explain why CPXi stands out. Part of it is the culture, our ability to give back and the focus on running a successful business that empowers employees. Financially, why it stands out is because we have huge scale. We have been profitable for many years and continue to be. We are a "bootstrapped" organization that has grown organically from a small start up to a global digital advertising company, all in a relatively short amount of time. The most interesting part of the story is that "bootstrap" culture; the spirit of entrepreneurship that we embed in all of our employees. We also run an incubator program at CPXi for any young entrepreneurs who want to build things in the ad tech ecosystem and be part of our holding company. We are very forward thinking in that way and we want to continue to be a driving force for change in this business. We have built a very profitable machine that has been and will continue to be very successful.



What's real. What's next.

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