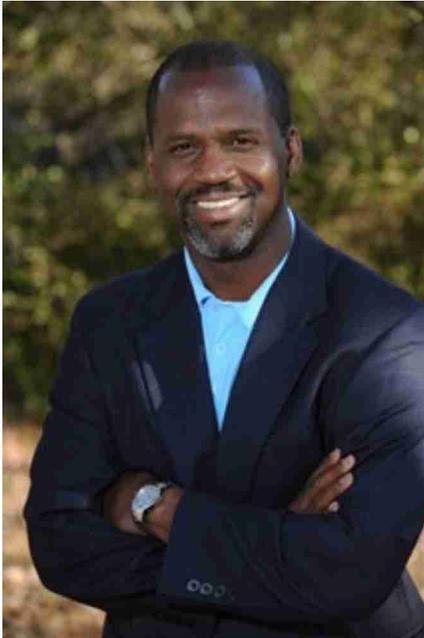


CEOCFO Magazine - The Most Powerful Name In Corporate News and Information

A Next Generation Procurement Platform Linking Businesses with Companies Seeking to Expand and Diversify their Supplier Base, ConnXus has an Online Service with the Mission to become the Catalyst of Economic Growth through Business Connections



**Rod Robinson
 Founder & CEO**

BIO: Rod Robinson is the founder and CEO of ConnXus (www.connxus.com), a second generation global procurement platform that provides Fortune 500 companies with a fully-integrated supplier diversity technology solution and marketplace. His expertise in procurement comes from nearly 20 years of experience as a Chief Procurement Officer for a major telecommunications company and as a management consultant with firms such as AT Kearney, Accenture and Diamond Advisory Services where he was a procurement subject matter expert. He also worked for Price Waterhouse and Deloitte & Touché where he earned his CPA credentials. Rod holds a bachelor's degree in accounting from the West Virginia University Institute of Technology and he earned his MBA at the Wharton

School at the University of Pennsylvania, where he was a Dun & Bradstreet fellowship recipient. In 2012, Rod was recognized by Ernst & Young as an Entrepreneur of the Year finalist.

About ConnXus

connXus.com is an online service that connects diverse and small businesses with companies seeking to expand and diversify their supplier base. Our mission: to be a catalyst of economic growth by making it easier for our members to do business with one another.

**Business Services
 Diversity Tech**

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

CEOCFO: Mr. Robinson, would you tell us about ConnXus?

Mr. Robinson: ConnXus is a next generation procurement platform that provides Fortune 500 companies with a fully integrated supplier diversity technology solution. Within corporate America, over the past fifty to sixty years, there have been many initiatives around purchasing more from small, minority, women owned businesses, not only as a way to drive economic growth, but also as part of corporate social responsibility strategies. Over time, one of the things that I noticed as a chief procurement officer of a Fortune 1000 company myself was that there had been many factors driving the supplier diversity movement in the United States. It has come from what I refer to as the three R's; the first R being regulation. There are many industries that have regulatory

authorities that demand and mandate that a certain percentage of external purchases come from small minority, women owned, and other disadvantaged businesses. The second R reputation. As these regulatory drivers started to take hold many of these organizations, over time, started realizing that, "as I am starting to make this effort to spend more with vendors that I may not normally do business with I am realizing that there are some advantages to that. Not only cost advantages, because I am actually having more organizations compete for my business, but it is also resulting in me being able to market to a more diverse population as relative to our actions within these communities." "Many of these same organizations (especially consumer driven) also realized the benefit of increased innovation resulting from this broader, more diverse supplier base. This leads to the third R, which is revenue. For many organizations it has become more of a business imperative nowadays that companies spend more and enhance their relationships with disadvantaged businesses. Therefore, I saw this as a pain point. It was a pain point for me ten years ago when I was a chief procurement officer. That was because we had specific targets that we needed to hit relative to supplier diversity. We always had trouble identifying qualified minority and women owned businesses. However, in addition to the qualification process we also had to provide reporting to various constituents, not only our board internally, but there are also large enterprise customers that we served that required us to report on our efforts around supplier diversity and specific goals that we had set on their behalf. Therefore, it

really evolved into a pretty costly and complex problem and I saw an opportunity to leverage technology to create this one stop shop, end to end solution that started with buyer requirements and completed the circle all the way through to spend tracking and reporting requirements.

CEOCFO: What was the most difficult part of the offering to put in place?

Mr. Robinson: The most difficult part of the offering to put in place? Our product continues to evolve. That is the beauty of software. It continues to improve over time with input from customers. However, one of our products; we call it our scrub product. That is where we scrub an organizations vendor data. What I mean by that is; an organization can simply provide ConXus with a flat file of all of their accounts payable records and this company knows that they had spent a billion dollars with external vendors in the past year, but they do not know how much of that went to minority and women owned businesses or other classified diversity businesses. Our software enables us to take that data and provide them with a report that shows the distribution across the various diversity classifications. This product offering was definitely the most difficult to put in place due to the high number of data sources and sheer volume of data that we have to manage. We also have a Tier II reporting system that enables large organizations to enable their prime suppliers to report their "diversity spend". That is something many organizations today do manually. We have really made it easy and automated that process. Our system enables an organization that may have only tracked the spend of twenty of their prime suppliers, to track as many as two thousand.

CEOCFO: How do you keep up to date?

Mr. Robinson: We actually provide annual updates. Some of our customers require quarterly updates, but for the most part we provide quarterly updates. For example, if we have Company ABC and we bring them on board and go into contract with them to provide Tier I reporting we are go-

ing to do that initial scrub and that serves as the baseline. However, what is going to happen is that we are going to get a data refresh every year or every quarter or however frequently they want us to do it. We are actually going to scrub that data on a periodic basis. We also have customer service people on staff that continually go through our supplier network, our supplier data base. In fact, when certifications of our suppliers expire the system actually notifies us and the supplier. That starts a few days from that expiration date. Therefore, we are able to keep our data fresh, because our system actually captures those data elements that enables us to take action on that; either remind the supplier that they need to get their certification updated or that they need to get recertified.

CEOCFO: Do you provide names of companies to your clients who may want to diversify more?

"We try to remove any barriers and really make it simple for suppliers, small businesses, local businesses and minority women owned businesses to really get connected and gain access to opportunities that they normally would not have access to."- Mr. Robinson

Mr. Robinson: Sure. I refer to the major corporations as buyers. Buyers call our companies. When a buyer has a need they come to the site. They can search for suppliers. They can search by name, category, zip code; there are various filtering elements that the system allows. They can also post a specific bid or RFP opportunity. Any supplier that matches the set criteria will be notified by email of a matching opportunity. Then that supplier is notified of all of the companies that match the criteria; those who have connected with the opportunity, meaning expressed interest on that opportunity. Then the process just continues from there.

CEOCFO: Are the suppliers able to work with you as well, as far as promoting their services or making them easily available?

Mr. Robinson: Yes. We have an interesting model. We call it a "Freemium" model, where suppliers can

join our site for free. There is no charge. There is a free level where a supplier can build a profile, but it limits who can view their information. It also limits their access to buyer information. Also, they will not be able to bid on opportunities. However, if a supplier wanted to be able to access a bid opportunity they would have to be subscribing at the nineteen dollar a month level, unless they were brought in by a buyer. We have some situations where we have enterprise customers who also enroll their suppliers in our network, because they adopt our platform. However, in general, suppliers who want to access bid opportunities have to be at what we call our "Silver Subscription" level. If they want to do additional marketing we also have what we call our "Gold" level, which is forty nine dollars a month. That actually provides them with much more advertising and targeting of their profiles to buyers who are looking for suppliers within their category and a host of other services.

CEOCFO: It sounds like a very good opportunity and quite reasonable.

Mr. Robinson: We try to remove any barriers and really make it simple for suppliers, small businesses, local businesses and minority women owned businesses to really get connected and gain access to opportunities that they normally would not have access to. One of the things that we are excited about is that we are going to be launching version four of our system and our software to which we are adding a lot of social networking features. That will enable suppliers to network. We are going to be bringing in mentors for various functional areas, so that suppliers can access experts in different areas for advice and relevant content; it is all around help for suppliers to grow and prosper. We are going to have some marketing experts involved in the community doing blogging. We will have legal experts, small business tax experts and financing. We have banks who have expressed interest in providing content and access to financial services and working capital loans and so on. We are starting to see a lot of opportunities develop as we build up this platform.

CEO CFO: How do customers on both sides of the fence learn about ConnXus?

Mr. Robinson: The best way is to visit our website at connxus.com. In addition to the website they are free to call our office. We take calls all of the time from suppliers that have learned about us on the web or learned about us through one of their customers. They can call us at 513 204 2873. It is probably best to ask for Crystal Davis. In terms of the major corporations, the buyers, we have a direct sales effort for buyers. We have sales people that are going out and targeting chief procurement officers and directors of supplier diversity. We also have strategic partnerships that we are leveraging with organizations such as Procurian, which is a major procurement outsourcing firm. We partnered with Procurian. Because of Procurian we have turned many of their customer relationships into direct customer relationships. We also have partnered with chambers of commerce around the country that has led to new customer relationships. Therefore, we have a combination of direct sales, referrals and partnerships on the buyer's side. On the suppliers side it is driven more by buyers referring their suppliers to the platform. Whenever there is bid opportunity posted it spreads virally. That has resulted in us continuing to sign on new suppliers, organically at a pretty amazing rate. Of course, there is online advertising. It is more of an indirect approach for suppliers and then more of a direct

approach for buyers.

CEO CFO: What is the competitive landscape like for you? To your knowledge, has anyone else tried a similar offering?

Mr. Robinson: What is interesting is and the reason that I started this was because I was on the other side, being a customer of something like this. There were players in the market, but there was no player who offered a solution that was as complete. There were many fragmented efforts where you might go to one place to actually get the marketplace, but then you would have to go somewhere else to get the Tier I reporting or the Tier II reporting. I saw an opportunity to create everything in a single platform. Some of the other players that were competing in this space had been acquired by larger companies that have taken them in a different direction. Therefore, in terms of a complete comprehensive solution we are really one of the primary players in the market. There are a couple of others that we are competing against. It is kind of interesting. They have been around for a while. They are now subsidiaries of larger companies. We have managed to gain customers from at least one of each of those players and incumbents in the market. It has been nice. One of the things that customers tell us that is different about us is that, for one, we bring deep procurement expertise that the technology is wrapped around and that our platform is so simple to use that it is a welcome

addition to the market. It pleases us. We take the feedback very seriously and we act on it pretty quickly.

CEO CFO: How is business?

Mr. Robinson: Business is great! We have been growing rapidly. We have attracted some venture capital that is going to help accelerate our growth. Therefore, we are really excited about where we are headed.

CEO CFO: Why does ConnXus stand out for investors and people in the business community?

Mr. Robinson: I think ConnXus stands out because we are a company that provides a very robust solution to a very large problem. If you give us a chance to demo our product then you will see that for yourself. We bring a very dedicated team of seasoned veterans that understand how important it is to leverage technology, but we also understand the importance of service excellence and touching the customer, so we like to think of our collaborative approach as "high tech and high touch". We do not just want to turn you loose on this technology. We want to leverage the technology, but we also want to be there to make sure our customers have someone to talk them and walk them through the process when necessary. For that reason we really stand out from the competition, because we are bringing that "high tech, high touch" approach.

ConnXus

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