

Compiling Information from Thousands of Sources to Track \$1.6 Trillion in Annual Business-to-Business Purchases Across More than 40 Spend Categories and Teaching Computers to Interpret Unstructured Text, Cortera is Enabling Sales and Marketing Teams to Dramatically Increase Revenues

**Technology
Business Intelligence
(Private)**

**Cortera
777 Yamato Road, Suite 500
Boca Raton, FL 33431
Phone: 561-226-9000
Website: www.cortera.com**



**Jim Swift
President and CEO**

BIO:

Jim Swift is the president and CEO of Boca Raton, Fla.-based Cortera, a provider of comprehensive business-to-business payment and purchase data and insights for U.S. companies. Swift is responsible for the executive oversight of operations and oversees the day-to-day management and growth of new lines of business at Cortera.

Swift's operations management experience focuses on helping companies use business intelligence to im-

prove sales and risk management. Prior to joining Cortera, Swift served as chief operating officer of LexisNexis Risk Management where he was responsible for the unit's commercial markets. The company acquired Seisint, where Swift previously served as executive vice president. While at Seisint, Swift held several leadership positions in operations, sales, product development and strategy. Prior to that, he was the senior vice president at Modus Operandi, a management and technology consulting firm specializing in business process reengineering and automation for Fortune 500 clients.

Swift earned a bachelor's degree in mechanical engineering from Rochester Institute of Technology and currently serves as a director of Cortera and Appriss, a provider of technology solutions that help keep our communities safe and informed.

Company Profile:

About Cortera - Different Approach
Cortera is the only company that tracks \$1.6 trillion in annual business-to-business purchases across more than 40 spend categories and combines it with payment behavior and other information on 20 million U.S. business locations. This enables us to provide the game changing insights into what your customers and prospects buy and how they pay companies like yours. Our award-winning solutions enable your sales and marketing teams to dramatically increase revenue by efficiently and effectively identifying high-value revenue opportunities. Simultaneously, they empower your finance and credit teams

to minimize risk by revealing the deepest insights into a company's overall financial health.

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

CEOCFO: Mr. Swift, what is Cortera?

Mr. Swift: In a nutshell Cortera is a company that compiles massive amounts of information about businesses and uses this information to provide new levels of insight into what is going on in a company that has historically not been available. The relevant insights we deliver enable companies to efficiently retain new customers, find new ones and maximize revenue from both.

CEOCFO: How are you able to provide the complex data that so many promise but do not deliver?

Mr. Swift: When you are looking for information on a customer or prospect, where do you go? You probably go to Google where your search typically yields too much information, irrelevant information or simply lacks the key information you need--especially on private companies. Until now, there just has not been a great source for relevant information and actionable insights about companies. We are concentrating on two primary applications today. One is risk management, where companies are trying to understand the risk of a potential customer or supplier. The other application is sales and marketing intelligence, where companies are trying to figure out which businesses are most likely to buy their products or services. Each of these applications

have had different limitations in the past when it comes to the data that is available. On the risk side, most companies have focused on understanding the payment behavior of their customers or prospects—how they pay other companies. Credit-related information providers have been out there assembling information from public records as well as payment behavior of companies and have pieced this together to develop risk scores. The problem with payment behavior is that it is a lagging indicator. A business can be paying you on time right up until the day they close their doors, or they can just choose to pay slowly to make a point, or because they want to manage their cash. By the time a customer's payment behavior changes it is often way too late for you to act. I've always thought we needed to come up with a better way to gain deep insight into what's really going on in a company and use these insights to minimize risk and maximize revenue. From a risk management standpoint, we believe a company's purchase behavior--what they buy and how that changes over time - their behavior - is a great indicator of their size, growth and overall financial health. On the sales and marketing side, similar data is very insightful. In the past, companies relied on demographic data, which is a view into what the company does and how big they are. That is all well and good, but two companies that are in the same industry and appear to be of the same size are not always in the same place or have the same appetite for your product or service. An even bigger challenge is that it is hard to get accurate insights—especially for private companies-- into what a company really does, what their revenue is or whether they're growing or in financial retreat. Companies have relied on modeled demographic information and standard government industry codes, and it is just not accurate enough to provide the foundation for building any kind of real sales intelligence. We think that purchase behavior provides new clues for what is really going on inside a company and it can be predictive of whether

they can buy from us, how much they can buy and all those other things.

CEO CFO: How are you tracking the various pieces that you are offering?

Mr. Swift: We compile data from a variety of public and private sources both structured and unstructured. We taught computers how to interpret unstructured text, which enables us to tap into the vast amount of information available on the Internet. We've also built a community of customers and users that share data that we use to create analytics and insights that benefits all of them.

CEO CFO: Do most companies see the benefit of sharing their data or are there still some that do not want their information made available?

Mr. Swift: There are a limited number of companies that have decided not to participate in our community, but

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that list is shrinking because we're constantly delivering more value to our community members and driving more innovation into our solutions. We've reached a tipping point where companies are participating because there is so much more to gain than there is to potentially lose.

CEO CFO: Do you rate companies and give them a credit score and how do you present the content and what are you adding to the raw content?

Mr. Swift: What we do is compile information from thousands of sources. Every day we are getting more information, which provides all different kinds of clues about companies. You cannot just reduce a business to a single, overall score. Life is just not that simple, especially when you get into areas of risk management and marketing. The worlds of risk and marketing are more about having as many clues as possible,

which enables you to predict future behavior. You do not see us oversimplifying something as complex as what this business is all about into a single score. We do have a variety of different things that help you make quicker decisions about specific behaviors. For example, we will create a payment score that is based on rules around how this company has paid over the past three to six months. It gives you a quick view into their behavior. It does not mean they are good or bad but shows how they are paying other people. Unless you do something different or they like you more, they are probably going to pay you like this. We also create payment risk segments that show you whether the payment is speeding up or slowing down. We look at spending in different categories that we know about and have created factors that show you a growth vector of a business in various spend areas over time. So you can see something like their shipping expenses have increased by 72% over the past year. We present data in a way that you can assemble all these clues and say, "Ok, here is a company that looks like it spends a lot of money and needs certain things, they are growing at a pretty good rate, and they pay their bills fast." And, "So I am going to go sell more to them or I am going to extend them longer credit terms than I normally do to companies."

CEO CFO: What types of companies are using your services, who should be using them, and how do you match the two?

Mr. Swift: Companies of all shapes and sizes, across diverse industries are using our solutions to dramatically increase revenue and reduce risk. Most of our customers are in the physical supply chain, and include manufacturers, distributors, transportation companies, and others that service them. Our customers include some of the largest brands in the U.S. all the way down to small mom and pop shops that have not had access to solutions like ours because they have historically been cost prohibitive.

Our goal is to be the solution that provides all businesses, regardless of their size, with deep insights about their customers, prospects and suppliers that they need to reduce business risk and drive revenue through the roof. We want to be the solution that everybody can use.

There are a couple of key points we've kept in mind when building our solutions. Most companies in the US are private. According to the Small Business Administration, there are roughly 27 million US companies, and of these, six million have employees and less than 15 thousand are public. Even though we see the big brands everywhere, almost all the companies that we deal with everyday are private, and there are only around 18 thousand companies that have more than 500 employees.

As a result, we go to great lengths to collect information on the companies our customers interact with everyday, or hope to do business with in the future.

CEO CFO: What is the range of services and are most people taking full advantage or do they not yet realize all that you have to offer?

Mr. Swift: Most of our customers begin by using our Cortera Pulse solution that enables an unlimited number of users across sales, marketing, finance and credit to monitor the behavior of an unlimited number of customers, prospects and suppliers for \$99 a month. We track and monitor \$1.6 trillion in B2B purchases, A/R activity for 20 million company locations, 12,000 on-line, news sources, and a variety of public records (bankruptcies, tax liens, civil judgments, UCC filing). This allows you to stay on top of any changes in the companies you do business with, now or in the future.

In addition to deriving tremendous value from Pulse, most of our customers purchase our hard-to-find data in other forms. Our B2B Insight Re-

ports include in-depth company information including detailed purchase behavior trends, corporate structure, and other information on the companies you interact with. These reports range from \$0.75 to \$4, are packed with high-value information and give you the flexibility of purchasing only the information you need.

Other customers choose our Cortera Data Boost solution, which enables you to easily append our data and insights to your customer, prospect and supplier list. Our Cortera Connect, our XML-based API solution, enables your enterprise and web applications to easily talk to ours and pull information back in real time. Our Cortera eCredit solution enables you to automate your credit decisions and collections processes.

CEO CFO: Are there any information sources or pieces of information you would like to add to your offering that you are either not able to access or are not available in a way that is meaningful?

Mr. Swift: We have an insatiable thirst for information, so we are constantly looking for new types of data that will help us understand companies and provide deeper insights. If you think of all the information that is available online now compared to what was out there ten to twenty years ago, it is kind of mind boggling. Therefore, we spend a great deal of time trying to figure out how we can tap into what is already out there and bring it into the kind of structure that makes it relevant, timely and actionable. If you spend enough time on the web, you can find many interesting data morsels, but who has the time to go and find them and try to glue them together in the right way? We are doing this with our technology. As the amount of data that is out there on the web increases, then we will just keep finding interesting new ways to use this data to help companies learn more about their prospects, customers and suppliers than they ever thought possible. The other dimension is global. Right now, we are focused

on US companies, but there is a big global demand for relevant information on businesses, so that is one of the areas that we will expand into as we go.

CEO CFO: What is the financial picture in general and does Cortera need funds to continue your development and expansion?

Mr. Swift: We are well backed. My last company was acquired by Lexis Nexis in 2004 and it was the largest acquisition in 2004 around the world of a VC (venture capital) backed company. We were purchased for \$775 million. I stayed at Lexis for a couple years as chief operating officer of the combined group. When I left, I had the luxury of being able to work with some star-studded investors. As far as needing more funds, we will see. It all depends on how fast we want to grow. Sometimes it makes sense to bring in capital to accelerate the growth beyond what you are organically driving, but right now, we are pretty happy with what is going on.

CEO CFO: Why should investors and people in the business community pay attention to Cortera?

Mr. Swift: We all need better information about the companies we interact with, now or in the future—especially private companies-- and we have developed innovative ways of taking the hassles out of finding the high-value data and insights sales, marketing, finance and credit executives need to maximize revenue and minimize business risk. This is a significant breakthrough that has given us an opportunity to build a highly valuable company.

CEO CFO: What would you like to say to readers in closing?

Mr. Swift: I wish I could show every marketing, sales, finance and credit executive a demo of our B2B insight solutions. That would be cool.



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