

Open Source, Real-Time Distributed Big Data Application Platform



Patrick Hogan - CEO

About Excedis

Excedis is the quickest way to realize true Big Data business value. Excedis is a 100% open source Hadoop-based real-time, distributed Big Data Application platform. Built for Hadoop from the ground up, Excedis works on top of its scalability with the blazing fast speed of Elasticsearch in-memory database to create an affordable, purpose built solution with which companies can leverage the power of Big Data.

The complete three-layered ecosystem of Excedis, Hadoop and Elasticsearch provides data visualization, predictive analysis, guided data exploration and data quality functionality to companies providing a ready-made solution for Cybersecurity, Fraud Detection, Clickstream Analysis, and Global Logistics in addition to all traditional Operational Metrics.

With Excedis companies can get up and running on a highly integrated Big Data solution in a matter of days not weeks or months.

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

CEOCFO: Mr. Hogan, what is the concept behind Excedis?

Mr. Hogan: The concept for the company was the fact that we believed in today's world, if you are searching for data, you have already lost the battle. Data should reveal itself and provide you with whatever predictors you need to go out there and be competitive.

CEOCFO: How do you do that?

Mr. Hogan: We leverage the capability of a neural network. We look at several predictors. We have over 9 million data sources and data signals that we can use to enrich existing legacy data. Every corporation has orders or customers or prospects or, if it has financial transactions, we can take those, put them into our artificial neural network, and after a while, we are able to make the system learn. It can get to the point where it has automated outcome. If you could imagine stocks, as the example, we could buy stocks and, if we then look at the predictors, things like home prices or gold prices or daily volume for a specific stock, migrate that information into the artificial neural network, at the end of the process, we would have either a buy or sell signal. You look at it, you test it with what really happened for a learning cycle, and you say either the results were right or wrong. If the results were wrong the system is "punished". If the results were right, the system receives a "positive" input reward. After a while, in a number of cycles, just like humans, it gets smarter. That is how you do it.

CEOCFO: Who is using these services today or where are you in the development and commercialization process?

Mr. Hogan: Right now we are in the process of doing a number of proof of concepts. . There is probably about 20% of industry who could use this concept model. We are looking at several areas that would benefit. Right now the area where this appears to be most beneficial, would be finance, so bank companies, mortgage companies, things like that. From there, it appears that the retail or customer sentiment and social sentiment would be next, and then into manufacturing. Those are the three platforms we see, although the technology would be beneficial across almost all industries, it is just that some have a higher return on investment than others.

CEOCFO: To your knowledge, has a similar concept been tried in the past?

Mr. Hogan: There is a company which we probably go head to head with, which is Palantir Technologies, and they do similar processes. The difference between them and us is that Palantir is based on a propriety system and we are based on Hadoop. Right now, there are three major players in the Hadoop space. Hadoop is about ready to claim the same space that Apache webservers claim, which is 75% of the world's websites run on an open source Apache server. Hadoop is about to do the same thing for Apache, which their web servers did, so they are probably going to be the

premier big data platform. We are based on that. We are part of the Hadoop ecosystem and we enrich it through our technology.

CEOCFO: *What is better about Hadoop?*

Mr. Hogan: Briefly, the thing that is better about it is that before, you could have these artificial neural networks. The problem was that you needed large mainframes or super computers to run them on. With us, what you can do is because we ride on top of Hadoop, you can buy the most inexpensive servers possible and you can build very large networks of up to 7,000 servers. Therefore, you can process more data faster all in-memory because of Hadoop. We add scale, we add reliability, we add volume and speed.

CEOCFO: *What was the biggest technological challenge in putting your product together?*

Mr. Hogan: The biggest challenge was that big data is a nice buzzword today. Many people know about big data, the question is, "What does it do for you?" Our biggest challenge was taking the tool set – Hadoop, some of the other in-memory databases – and trying to figure out how to make them actually have a business value associated with them. Putting it together, adding the algorithm, creating it from that standpoint was the biggest challenge. The way we were able to do that is we have a bunch of subject matter experts in those various areas, whether it be finance, health care, manufacturing, or retail, that can go ahead and put the pieces together on top of the tool. It is kind of like building a house. Many people build the saws and nails and hammers and things like that, but what people really want is a home to live in. Building the home from those tools was the biggest challenge.

"There will be two kinds of companies that prosper in the future - companies that have more quality data than their competitors do and companies that have the same data as their competitors, but can find and use it better." - Patrick Hogan

CEOCFO: *When you are talking with prospective customers about what you have, is there an aha moment when they understand what you can do for them?*

Mr. Hogan: You go in and say, "We'll save you money" or "we'll generate revenue for you." The generating revenue side is what they tend to focus on the most. We usually go in at c-level, because our contacts, and everything else gives us access to most of the Fortune 1000 contacts. Going in and saying, "Look, we put this together and we'll put our money where our mouth is. We frequently offer to put the system together, do a proof of concept, show that it will generate the return on investment, and save the revenue that we say we are going to save. After that, we are then able come to a price for what it's worth."

CEOCFO: *Where are you in the development and testing phase?*

Mr. Hogan: We have got about 4 or 5 high profile proof of concepts going now, so we are in that early stage of, "Okay, let's put it together, fix the data, enrich it, generate the return on investment"

CEOCFO: *What have you learned along the way from concept to testing?*

Mr. Hogan: The biggest thing that we learned along the way is to listen to our clients. Every client comes to Big Data in a different way. What they need, depending on the industry, we have to take into account that that changes the predictors. I will give you an example. Typically you would think of revenue increase with being customers who want to buy your product and pay their bills on time. That works except in the insurance industry in which you have claims, so you have negative money going out, so lifetime revenue spent for an insurance company would be customers who pay their bills on time but also do not have many claims. It is that piece of the magical black box that you have to have the predictors on, so additional claim and risk information has to go in to determine whether that customer is going to be a good lifetime spender.

CEOCFO: *Would you tell us about what you and your team bring to the table?*

Mr. Hogan: I started another company out of Cisco called Netfish Technologies. It was an XML-based middleware company. It was invested in by Yahoo, Oracle and Bain Capital, and we sold it for about \$311 million. What it was is it solved the problem of large manufacturers who had 20% of their suppliers change every month. They did not have time to reintegrate those suppliers and they just wanted to be able to send out invoices, purchase orders, receipts, in any format they would need, including orders in XML, spreadsheets, or whatever was being used, and that is basically what Netfish did. That was my experience there. Other than that, I have about 20 years of general consulting. I was consulting for SAP, Oracle and JD Edwards; basically I briefed their entire sales staff every 6 months over in London, assisting them in sales and presales. With Oracle, I was airdropped into major accounts that they were having trouble with to try to fix whatever issue they had.

We have assembled a team of nationally recognized executives in the area of development, sales and marketing. Together we looked at the existing Big Data ecosystem and saw a number of missing pieces that are preventing

companies form taking full advantage of the disruptive capabilities that Big Data can offer. Our mission is to fill these gaps with proven solutions so that CEOs can deploy an effective Big Data solution quickly, cost effectively with demonstrable business value.

CEOCFO: *From previous ventures, what have you taken away from the business side that will allow Excedis to grow and flourish?*

Mr. Hogan: My background is Silicon Valley startups. Startups are very different from large corporations. I always go along with what I refer to as the pirate rule. Being in a startup is kind of like being a pirate. You own the ship and you have 2 general orders. One is if it is moving and it is not supposed to be moving, tie it down. If it is not moving and it supposed to be moving, kick it. Basically you become the jack of all trades and things are going to change day to day. That is my takeaway. You are always doing something different, always trying to generate awareness for the product and trying to manage the company and the growth. Companies usually fail for 1 of 2 reasons – too slow growth or too fast growth. The middle of that is always a challenge, and I have had companies that did both.

CEOCFO: *How do you know when it is right?*

Mr. Hogan: You do not! That is what we have managers for. You need to build a team which is engaged to look at what is going on, and after a while you sort of build a culture where you realize it is sustainable. That is what you have to look for. You have to look at whatever weather is in front of you and manage for it.

CEOCFO: *Would you tell me about your recent recognition from CIO?*

Mr. Hogan: CIO Review Magazine approached us as one of the short listed companies that their researchers had reviewed as the most promising Big Data companies for 2014. They were doing an article on big data 100 – the top 20 analytic companies, the top 20 consulting companies, the top 20 infrastructure companies, and we were shortlisted for analytics. They did an interview with us, and that was the article we did.

CEOCFO: *What is the strategy and plan going forward?*

Mr. Hogan: We have a fairly large pipeline right now and we are at the point right now where we have gotten together our core team of high level management folks that are recognized within the industry. We have some VPs from some very large corporations that are assisting us, from the board level, and our process right now is to start working the pipeline and start landing some major contracts. If you look at big data as it exists right now, the known leaders, the pivotal, Cloudera, and Hortonworks, each have about 1000 paying customers, in our industry there are a hundred thousand paying clients who are underserved within the Oracle applications alone. We are looking at that market and developing solutions for them. We have a field of about 65,000 customers in Oracle's space including PeopleSoft, Siebel and JD Edwards, who have said that they are not going to migrate to the next version of Oracle's Fusion Apps. That is a sizable market that we can look at and provide Big Data solutions for, so we are partnering with Salesforce and Hortonworks. We can add big data capability to those companies and provide a solution for those not upgrading to the next version of Oracle.

CEOCFO: *Why should our readership that includes many high-end executives pay attention to Excedis today?*

Mr. Hogan: Because Excedis Gravitas is the quickest way to deploy a Big Data solution. CEOs are asking the question, "What can Big Data do for me?" Excedis offers the quickest means to answer that question for CEO and provide them demonstrable proof of how Big Data will work in their environment. Excedis offers companies a quick, simple, and low impact path to deploying Big Data solutions to evaluate their potential return on investment. These are the ones we look at. If you look at small midsized businesses, we probably are not a good fit because they really do not have the data volume that we look at. Upper mid-sized businesses, maybe. Maybe we get down to perhaps 20,000 or 30,000. We think the 65,000 who have Oracle ERP are really the sweet spot that we are looking at. Basically, we go in and look for a value proposition that says, "Here is the problem you have right now with the installed legacy solution you have, with the applications you have. Here is what you want to do: 90% of your data is outside the four walls and doubling every year. You need to have a solution to take care of that. If not, your competitors are."

CEOCFO: *Final thoughts?*

Mr. Hogan: There will be two kinds of companies that prosper in the future - companies that have more quality data than their competitors and companies that have the same data as their competitors, but can find and use it better. Big Data and Excedis are at the core of these movements.

If I put a ton of data on your desk, what good is it? What you really want is the few gold nuggets that will help you either make more revenue or make your customers happier or make you more profitable, and that is what we do.

BIO: Patrick Hogan has over 24 years of experience in the software, architecture and enterprise business applications industry developing and deploying some the largest enterprise solutions for companies including Starbucks, Cisco, NTT, Adobe, Xerox, SAP, IBM, Oracle, AT&T, GE Healthcare and Sun Microsystems.

Mr. Hogan is current co-founder of Excedis, which was launched to complete the Hadoop Big Data Ecosystem technical stack by packaging together mobile, data visualization, data analysis, integration and management components in a single 100% open source tech stack with purpose built Big Data business applications. Our mission is to add real business value to the rapidly emerging Hadoop Ecosystem marketplace.

Prior to co-founding Excedis, Mr. Hogan had successfully created and managed several start-ups in the Silicon Valley including co-founded Netfish Technologies which was funded by Oracle, Yahoo and Bain Capital before being acquired for \$300+ million by Iona Technologies.



Excedis

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