Success Strategies and Insights from Pioneers in Data-Centric Business Models

November 18th, 2009

StrikeIron at a Glance

- Privately-held
- Headquarters in Raleigh/Durham, NC, USA
- Founded in 2003; traction in 2006
- Raised $14M to date venture financing
- 1800 customers, 50+ partners
- Achieving 5% growth rate/month

What We Do

StrikeIron is the leader in providing innovative solutions for delivering <u>data-as-a-service</u> and cloud-based data sources via the Internet.

Business users, application developers, and enterprise I.T. professionals are able to <u>customize and integrate these data sources into applications, Web sites, and business processes</u> with significantly reduced complexity than before.

The company provides a <u>technology platform</u>, micro-transaction management, and a consistent interface <u>across many XML-based services from multiple and diverse sources</u> as its mechanism for delivering these services to customers.

1800+ Customers Including:

STRIKE**IRON**®
Accurate Data. Right when you need it.

Microsoft

LOCKHEED MARTIN

NISSAN

ADP

HONDA

tomtom

MEN'S WEARHOUSE

TEXAS INSTRUMENTS

frederick's OF HOLLYWOOD

DOWJONES

SIEMENS

JANUS

M**O**NSTERCOMMERCE
a NetworkSolutions.company

SWAROVSKI

EXCLUSIVE RESORTS™

Domino's Pizza

SUNBELT RENTALS

ALCATEL

Ingram Book Company

T. Rowe Price®

NIKE

University of Phoenix™

BorgWarner

BICYCLE RIDER BACK PLAYING CARDS

CLEARCHANNEL

SAMSUNG

Sprint

FASTSIGNS
Sign & Graphic Solutions Made Simple.

salesforce.com
Success On Demand.

P&G

GM

attachmate™

General Mills

SAKS FIFTH AVENUE

shelbysystems

SHOEbuy.com®

TimeWarner

Red Bull®

Google™

Delivering Data as a Service

StrikeIron Web Services Product Offering

- Largest resource available for reliable enterprise class Web services
- 50+ Services from diverse sources
- Built upon StrikeIron Web Services Delivery Platform
- Ideal for CRM, e-commerce, point-of-sale, SAAS, business intelligence, and cloud-based solutions
- Beyond Data – Communication Services - SMS, IVR, e-mail verification etc

Email Verification – Address Verification – Sales and Use Tax – Online Sales Tax Calculation - SMS Alerts & Notifications – Do Not Call List Verification – Reverse Phone & Address Lookup – Jaduka Notification – Kapow – Foreign Exchange Rates – Real-Time Telephone Verification – Zip & Postal Code Info – Cortera Business Vitals – Cortera Credit Pulse – Federal Employer ID Lookup – Minority & Woman-Owned Business Info – Zacks Financial Info – Address Distance Calculator – Canada Geocode Info – Geo IP Location – IP Address Lookup – MapQuest Mapping & Directions – Midnight Trader Financial News – Phone Number Enhancement – US Census Info – US Geocode Info – Wall Street Horizon Real-Time Company Earnings – Gale Group Business Info & Web Domain Intelligence – D&B Business Prospects

Rising Demand for Web Services

STRIKEIRON®
Accurate Data. Right when you need it.

IntelligenceReport® Parade.com/intel

ECONOMY

States Push for Online Sales Taxes

Online shopping will be more costly for many Americans this holiday season. New laws in New York, Rhode Island, and North Carolina will force retailers to collect state sales taxes for the first time on purchases from Internet retailers.

Reeling from steady declines in tax revenue, states across the country are considering so-called "Amazon laws," which require many

same state as the customer. That means that, until recently, if you lived in North Carolina and ordered something from a store based in Ohio, the company generally did not need to collect sales tax. New laws get around the Supreme Court's ruling by treating "in-state-hosted affiliate websites"—independent sites that link to online retailers and share profits when customers click through—as the legal equivalent of a physical presence. States lose $20

but they're not the only ones. Retailers say the tax break for online shopping puts local businesses at a disadvantage compared to their digital counterparts. "Brick-and-mortar retailers should not be forced to compete against online retailers on a playing field that is no level," says Ted Potrikus, executive vi president of the Retail Council of N York. Affiliates, he adds, are like t exempt digital salespeople who m money from each online purchase, the sales tax on which the govern relies flies out the window."

But online retailers say forcing to collect state sales taxes is a bad and an unfair one. "I understan are having difficulty raising r but they should look at legal w

StrikeIron
Solutions
address timely
trends

eCommerce sites
seek easy
enablement of
capabilities such
as geographical
calculation of
sales taxes.

Oct 24, 2009

Why We Started This Business

- Experienced significant difficulty in keeping data sources current and up to date
- Great deal of cost and effort in maintaining internal data
- 90% of all data people keep is available elsewhere, why duplicate maintenance and updating efforts?
- SAAS models and XML/Web services were emerging
- Why not build the great data source catalog in the sky
- UDDI failed miserably
- Why would this succeed?
- Apple did with iTunes in digital music – what about data?

The Key Challenges

- Must overcome data structure inconsistencies
- Must overcome a general lack of standards
- Must overcome business model inconsistencies
- Must overcome service behavior inconsistencies
- Must get data providers and producers to see this as a new channel
- Must provide the data sources people are willing to pay for
- Must make it easy for people to adopt/technically and via business model – pay as you go model

Normalization Example

- Inconsistent response codes such as those for "data not found":
  - 404
  - Error code: 0
  - Error code: 1
  - Error 100
  - {nothing}
  - "data not found"

- These differences across different data products all have to be accounted for in the business rule logic

What's in it for Data Providers?

- New revenue channels – modern delivery mechanism

- Don't have to do anything different/no effort

- No cost/pure revenue share model

- Customers can now use in applications they are already using every day (Excel, Salesforce.com, etc.) without separate, "one-off" integrations to proprietary API's

- Leverage the "long tail" of customers

EXTERNAL SOURCES

StrikeIron: One Integration, Not 100+

STRIKEIRON®
Accurate Data. Right when you need it.

Single point of integration = far less complexity

TECHNOLOGY VERTICALS AND INTEGRATION PARTNERS

PaaS/CLOUD
BUNGEElabs, Google App Engine, powered by amazon webservices, force.com platform as a service

SOCIAL NETWORKS
facebook, OpenSocial, LinkedIn, slide

SaaS/CRM
FrontRange SOLUTIONS, L360, NETSUITE, SIEBEL CRM OnDemand, CRMfusion, salesforce.com Success On Demand

PRODUCTIVITY
Excel, EditGrid, Google Docs & Spreadsheets

eCommerce
MonsterCommerce Network Solutions, PayPal, eBay, BrightStores, Google Checkout

IDEs
eclipse, fx, Microsoft Visual Studio, built on NetBeans

MASHUPS
Lotus. software, IBM, SERENA, WaveMaker, JackBe, intel

INDUSTRY VERTICALS

RETAIL
frederick's of hollywood, NIKE, SAKS FIFTH AVENUE, SWAROVSKI, SHOEbuy.com

TELECOM
Sprint, ALCATEL, TimeWarner, CLEARCHANNEL
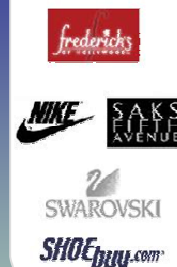
FINANCIAL SERVICES
JANUS, ADP, T. Rowe Price, DOWJONES

MANUFACTURING
BorgWarner, General Mills, NISSAN, HONDA, SIEMENS

TECHNOLOGY
TEXAS INSTRUMENTS, tomtom, bea, SAMSUNG, Microsoft, kapow TECHNOLOGIES

WEB SERVICES DELIVERY PLATFORM

STRIKEIRON®

EXTERNAL SOURCES
NYSE, D&B, UNITED STATES POSTAL SERVICE, SAS, The Sports Network, ZACKS, THOMSON GALE, NASDAQ, MAPQUEST, Cortera

STRIKEIRON®
Web Services Marketplace

STRIKEIRON®
IronCloud Platform

INTERNAL SOURCES

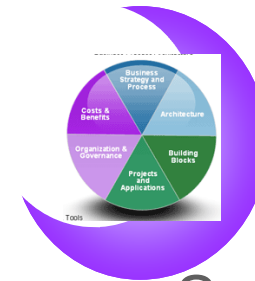| PRICING DATA	LOCATION DATA	PRODUCT DATA	CUSTOMER DATA
	SALES DATA	BUSINESS PROCESSES	PROPRIETARY DATA

Delivery Platform
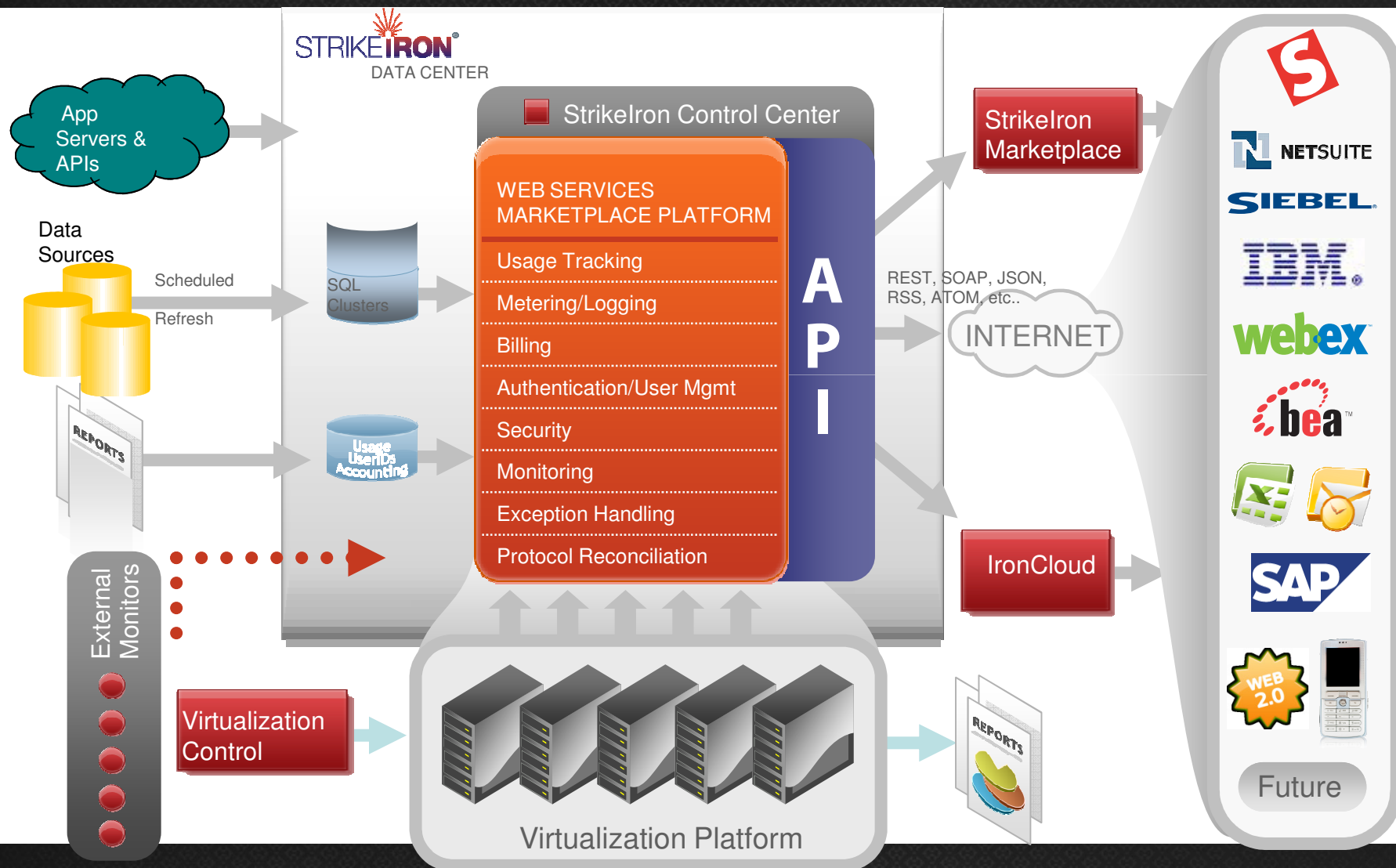
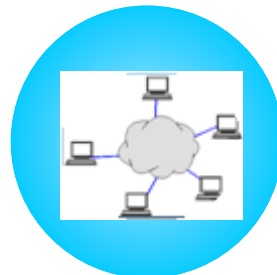# Key Trends We Leverage

Software as a Service

Platform as a Service

Service Oriented Architecture (SOA)

Cloud Computing

Web 2.0

StrikeIron Value Proposition

Lowers Cost — TCO reduced up to 70%

Lowers Risk — Scalable, subscription model: No upfront investment

Lowers Complexity — Accelerates time to market

Enterprise Class — High-performance, "always-on" network

New Revenue Channels — Reach new markets

Initial Booking Creates Multi-Year Value

University of Phoenix
  – (Initial $20k ➜ $186k)
Proctor & Gamble
  – (Initial $10k ➜ $142k)
Men's Wearhouse
  – (Initial $1k ➜ $111k)

Lockheed Martin
  – (Initial $1k ➜ $100k)
Shelby Systems
  – (Initial $2k ➜ $77k)
Frederick's of Hollywood
  – (Initial $12k ➜ $52k)

TomTom GPS
  – (Initial $1k ➜ $47k)
Samsung
  – (Initial $1k ➜ $25k)
General Motors
  – (Initial $2k ➜$22k)

Lessons Learned Over Time

- Fewer, high quality services are most effective
- Mainstream, rather than obscure data products
- Eliminated lowest tier of customer subscription package due to technical support burden
- Integration into popular products leads to wider adoption among business users
- Infrastructure, billing and administration systems require significant investments
- Market is still early, long way to go
- Distribution partnerships are key

StrikeIron Summary

- Deep Web services domain expertise
- Proven and efficient technology platform
- Strong, high-value partnerships
- Strong, diverse customer base
- Emerging early market leader
- Achieving growth rates of 5% per month
- Large market with applicability in multiple areas
- Still in the early days of nascent market

Thank You

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