Tegus Transcript

Dataminr - Senior Advisor/Project Lead at Institute for Security and Technology

Interview conducted on May 05, 2022

Senior Advisor/Project Lead at Institute for Security and Technology. Expert can speak to Open-Source Intelligence (OSINT) Industry, including Cobwebs (5/5 familiar).

Senior Advisor/Project Lead at Institute for Security and Technology. The expert is responsible for developing and executing scalable tech solutions for national security problem sets. Advises on national security requirements, needs, and articulation and how they intersect with emerging technologies.

The expert is very familiar and can speak in depth to Dataminr, Hootsuite, Cision, Meltwater, and the majority of competitors in this space.

Q: What is your familiarity with the Open-Source Intelligence (OSINT) Industry?
A: Intimately familiar as I have authored several reports and whitepapers on the topic.

Q: From your experience, who are the primary players within the OSINT Industry? Are there any new entrants to note?
A: That's a big question. They are functionally segmented. Large consulting firms provide OSINT services like BAH, Accenture, G2, and etc. Then there are data-driven OSING analytics like Meltego, Palantir, Babel Street, Dataminr, and etc.

Q: Would you be able to help educate our client on the value prop and/or competitive landscape surrounding OSINT solutions such as Dataminr, Babel Street, Cobwebs, Palantir, SkopeNow, etc? If so, which companies can you speak to?
A: Yes. Intimately familiar with all of these listed.

Tegus Client

Thank you for taking the time to speak today about open source intelligence platforms, like Dataminr, Cobwebs, Hootsuite. To start, can you tell me a bit about your background?

Senior Advisor/Project Lead at Institute for Security and Technology

So I was a technical analyst with the federal government for 11 years. I was also open source scientist with DoD. And when I was with DoD, I was working very closely with DAU and In-Q-Tel and part of my job was evaluating a lot of this off the shelf companies and solutions. So whether it's Dataminr, Palantir, Cobwebs, I receive a lot of demos from these companies through some of this government-run programs. And I use quite a few of them as part of my research portfolio.

I transitioned to join an AI company in Silicon Valley. I ran their research and strategy for two years, and I continue that market research as part of my competitive landscape analysis, as you can imagine. And now I was able to connect with a large institutional fund. And about nine months ago, I was able to start my own tech companies.

Tegus Client

So especially around OSINT, we have a general understanding that it's publicly available information to get through different tenors. But can you provide a little bit of how platforms that provide open source intelligence have evolved over time and where they are at?

Senior Advisor/Project Lead at Institute for Security and Technology

I think we can slice and dice this market in several ways. We can segment them by use cases or by different business models or different market, customer segments and things like that. But let me start with a very broad category. So there are three buckets in this category. One is mostly very traditional what we call body shops. So they provide a lot of human analysts to specific enterprise customers. And essentially, it becomes an OSINT sale for rent or for hire. So think about Booz Allen, Accenture, G2, and essentially there are a dozen large consulting firms that tend to have this OSINT capability.

And large enterprise organizations may specifically have a couple of embedded analysts or sometimes, it's more than two. It could be anywhere between five to ten and they can run OSINT for their enterprise customers. The second bucket is what I call like data-driven solution. So if you think about Palantir, Babel Street, Dataminr, Maltego, or even Cobwebs to some extent. They don't provide a lot of human analysts, but essentially, they provide a range of products.

But typically, they will provide a user-authenticated, web-based dashboard to provide tailored profiles and analytics. Or sometimes if they're working with a fairly technically sophisticated client, then they can provide what we call API end points. So instead of using a dashboard, essentially, this enterprise customers will just pull in enriched data straight from these companies and then integrate them with their existing software system. And then there is a third bucket, and that is these are the companies that provide mostly just data. So it's very common, especially what I call it, two-rated data.

So they essentially won a lot of human analysts pretending to be somebody else on like dark websites or encrypted chat apps and then essentially they pretend to be somebody else because that's the not only way to collect data and then essentially package them and then just provide sometimes automated summaries or sometimes just human-curated summaries and so on and so forth.

So these are the three big buckets of like what I call OSINT companies. And I think the vast majority of this market is still dominated by the big consulting firms because they have existing relations with larger companies or federal government programs and so on and so forth. So I think they still play a really big role. And sometimes smaller tech companies, smaller OSINT companies essentially will use them as prime vendors.

Tegus Client

Like a reseller partnership?

Senior Advisor/Project Lead at Institute for Security and Technology

Exactly. So that will be the first layer of categorizing different players in the OSINT ecosystem.

Tegus Client

You mentioned a couple of interesting points that I'd like to double click on. You have enterprise clients as your end customers. But there is private enterprises and there is many different users for not private setting, organizations like DoD, for government and the police department. In your mind and based on your experience, how is that end market in your view? How is it allocated between private enterprises and public organizations?

Senior Advisor/Project Lead at Institute for Security and Technology

A little bit complicated as usual. So the sales cycles are very different between enterprise customers and public sector customers. On the project sector side, so whether it is DoD or the intelligence community or

DOS, DHS plays a much bigger role now because there is just so much more demand on the domestic side. But in terms of what we call total addressable market size, the public sector is still very small surprisingly. DHS is buying a lot more. But you can imagine it makes sense only at the federal level, because once you go down to the state level or even city level, they just don't have the budget.

I think the only exception might be New York City which functions more like a state government. So I think that's the only exception. And a lot of these companies tend to compete for the same federal government market, and it is still intense. And everybody is trying to go after the same contract, the same like essentially programs of record and things like that. So it's incredibly competitive.

Tegus Client

And DoD and DHS, these contracts, are they for contracts that are above certain size, do they usually go through an RFP process of some kind? Or do you directly submit it?

Senior Advisor/Project Lead at Institute for Security and Technology

Correct. I think a number of known time vendors in the space, so it's really hard for smaller players to squeeze in. So ECS is a big player in the space. As you can imagine, Accenture is also a big player. Dataminr and Palantir might be tweak sections that have been able to crack the code to directly sell to the federal government. But still, it is a really difficult process for a lot of new start-ups.

Tegus Client

You mentioned the state doesn't necessarily have the budget to do this thing, incorporating OSINT. For example, they're like, at a state level, if you take into account like fusion center at Texas, for example, fusion center in some of the other states where they buy this information in part and incorporate that and that can be used in different police department. Is there a relatively big market there? Or even states don't have enough budget? Also do they have personnel who has expertise in OSINT to manage and utilize this kind of data?

Senior Advisor/Project Lead at Institute for Security and Technology

I think there are three key variables. Number one, the budget. We're talking about much smaller budgets at the state level. Texas, again, it's an exception. California is an exception, New York. So there is some business taking place in the space, but also it takes a lot of relationship building to get into the space. That's both professional and personal.

Number two is that what we call the sophistication of the end user. I think you made a very obscured observation. So tech companies tend to shy away from state or local customers. The reason being, then you have to provide a lot of CS, customer success. And essentially, people may say it's not worth the squeeze because you need to train them, you need to provide real-time support. And also, they need a lot more than perhaps what the contract may entail. So there is that little bit of resistance in the first place.

And number three, there is not a lot of continuity of renewing the contract. It's a lot more whimsical. So I think this is why a lot of OSINT companies shy away from the market unless they are already built into some of these networks. And I think this is where a lot of new start-ups also make a terrible mistake. They look at Palantir, they look at Dataminr and they think, "If they did it, we should be able to do it, too." But there was so much existing relationships and relationship management. And most people don't realize how difficult and how protracted the sales cycle may be.

Tegus Client

Here's a caveat that I don't know a whole lot about the market as much as you do. There'd be a case where data-driven solutions that you mentioned, Babel Street, Cobwebs type OSINT that has some out of the box, easy-to-use functionalities. Who of them appear more for the state and local departments? Or even at that level, you just don't have enough budget or expertise to manage these kinds of things?

Senior Advisor/Project Lead at Institute for Security and Technology

That's a thesis I have tested myself with my own company, with my previous positions as well. I think that the hard part is not so much about whether there is this off-the-shelf product or solution, but is whether the end user has the capacity to appreciate it or to take advantage of it. So a lot of times, it's not just buying the software, it's then they have to hire a dedicated analyst or two. I think that's when it becomes a lot harder. When I talk to state or local perspective, only one is just, "Can you give me a weekly report or can you give me like weekly CSD files? So I can run on them through software."

And so there is that utilization piece that's hard to sustain at the state and local level. I think a lot of division sales use off-the-shelf software, there is no doubt about it. I think a lot of times, companies that are really good at what we call integration. So instead of telling them, "You got to use my dashboard to take advantage of my technology." I think that's a really weak value proposition display. But if they say that, "We will integrate our technology to whatever software you're using, whatever system you're using," I think that sells much better.

And I think that's why Palantir initially gained a lot of traction with state authorities. Because part of their packaging is just sending in for deploying like data engineers. And work with their data, and then you're using their data with Palantir's in your proprietary solutions and so on.

Tegus Client

Who would you say are the major players in this space? I heard you talk about Accenture and the SIs. Are there other product vendors in this space that you would consider as leaders are doing well?

Senior Advisor/Project Lead at Institute for Security and Technology

Palantir, even though now is privately owned, is still a leader. And I think the reason being they provide not only off-the-shelf solutions, but they also provide a lot of integration services. So I would definitely take Palantir, Dataminr up there. Babel Street is also a major player, but they have some issues with their data providers. So their data stream is not as diversified. Maltego is also a major player. And surprisingly, Booz Allen has a full deployed team at multiple state governments as well as like overseas, federal government facilities.

Tegus Client

So you mentioned Dataminr. You mentioned Babel Street. What about Cobwebs?

Senior Advisor/Project Lead at Institute for Security and Technology

Cobwebs, it's a much smaller company. And it's also a younger company compared to Dataminr or Palantir. I did receive a demo from Cobwebs when I was with DoD. And they use a lot of dark web data, so they claim. They use a lot of like open source NLP models, right, to go through some of this content data. But the way they collect dark web data is hard to scale because they use a lot in human analysts to collect data. And the way I evaluate tech companies is if it's a body shop, then it's hard to scale. And I think this is why I am a little lukewarm about Cobwebs.

Tegus Client

When you mentioned that this company called Cobwebs could be a much smaller thing than Dataminr. How big would you say Dataminr is? I don't have any sense of how big some of these companies could be are they $100 million or $200 million? Or how big do you think Dataminr is from a revenue perspective annually?

Senior Advisor/Project Lead at Institute for Security and Technology

It's been a while since I checked ARR. But if I'm not mistaken, I think their annual revenue is like overall $1 billion at this point. They're doing really well. Dataminr is like the most dominant company at this point. Dataminr is also an In-Q-Tel portfolio company. So I've been very lucky to have been friends with the CEO of Dataminr. I wouldn't put Dataminr and Cobwebs on the same league. I think they are leaps and bounds different.

Tegus Client

So how about Babel Street? How big do you think that they are?

Senior Advisor/Project Lead at Institute for Security and Technology

I would have to check. Babel Street is still what I call a second-tier company. The reason being they had this massive dependency on Twitter data. And also, they were involved in a major scandal not too long ago because they were unfortunate with law enforcement agencies and they were using a lot of location data. What I meant by dependency is that, for example, think about full firehose Twitter data. And Twitter has this set of tons of service. And they prohibit essentially the tech partners from using Twitter data for surveillance or personal monitoring. So Babel Street had a couple of strikes with Twitter.

And so they have this reputation. And also that's why the data volume or diversity is not as good as like Dataminr. Dataminr had an instance with Twitter, but Dataminr has a really good revenue sharing agreement with Twitter. So I think that, that kind of sets them apart.

Tegus Client

When you say that Dataminr is such a big company, $1 billion or so in revenue, is there any technology differentiation between the larger vendors that have been there for a while and some of these newer, younger companies? If you were to compare Dataminr and Cobwebs, for example, is there any technology differentiation that gives a reason for these younger companies to exit?

Senior Advisor/Project Lead at Institute for Security and Technology

Let me offer two different answers. Number one, this day is, there are so many sophisticated open source ML models and NLP models. It's really about how you architecture these different models. That means if you have a lot of money, you can hire a lot of data scientists. You can hire a lot of data engineers. And also, you can hire a lot of front-end engineers and then does make it incredibly intuitive to use. So the UX is what says a lot of this company is different. When it comes to the sophistication of technology, I don't think there is a lot of differentiation at this point in the industry.

It's really about who has the most polished packaging and UX. And that's where Dataminr is quite ahead. I have no reason to give you any nice compliments about Dataminr, Dataminr was a competitor to the company I was working at before founding my own company. But if you look at their alerting solution, it's incredibly polished and verticalized. It's essentially so simple. Anything that's popping up, any aberration about your organization, your brand, your reputation and they're stripping and ingesting and enriching data from a wide range of social media, like websites, training and blogs and so on, it is very polished.

Let's go back to Cobwebs. I think the user experience is just not as good. And to me, that's one layer and another layer is all the support elements. So Dataminr is good at implementation, integration and customer success. It's not just a core engineering team, but they have this older support departments and teams squared away. The second-tier companies can't do that well. So if you're working with enterprise customers that is key. In terms of being able to renew and they can upsell. I think a lot of times, people tend to forget how important CS is to continue to upsell and grow yield, annual recurring revenue. That's where a lot of differences you'll see.

Tegus Client

But fundamentally, I was assuming that because all these products are collecting the data, correlating the

data with the ML and NLP and graph technologies, I thought some of the newer products can do a better job of connecting the data points. Are you saying that is not the case?

Senior Advisor/Project Lead at Institute for Security and Technology

No. I think digitalization is key. To me, visualization and UX, those technologies, too. But let's separate the back end from the front end. So the back end, I don't see a lot of differentiation at this point. And I think this is why also you see a lot of pricing pressure on these companies. The main difference I see is on the front end. How they essentially extract knowledge into digestible like analytics, visualizations. How intuitive it is, how well integrated with the customer's existing workflow and things like that. The front end to me is the main differentiator at this point.

I'll give you an observation. There is this amazing website called Hugging Face. It's a repository of amazing ML models and NLP models. There are more open source models available out there. If you go to GitHub, there are so many repositories where you can find certain downsized models and then just tune them to meet your needs. So these days, the back end is really about what we call like architecturing and designing these models and being able to run them fast on AWS or GCP, doesn't really matter. So the back end is becoming really hard to differentiate. And you will see very few IP essentially being awarded to back-end processes or models.

Tegus Client

I thought the back-end is a more sustainable mode for these products because they have to connect to the different data sources, extract the data, do the entity resolution, connect the dots, all that stuff. And a front end is a visual representation for search and all that stuff, but you're saying the back end pretty much everybody does the same.

Senior Advisor/Project Lead at Institute for Security and Technology

I was running research strategy and product at a major AI tech company. So I was doing a lot of this competitive analysis. And everybody is using S3 and Spark. Everybody is using the same tools available from AWS or like from GCP. If you have a good full stack engineer or a team of full stack engineers, it is not very hard to set up an infrastructure. So I am actually interviewing engineers to hire, and there is a finite set of tools you can use. Money is still very important because the more money you have, the more data subscriptions you can buy. Because there are data brokers.

So a lot of times, there's OSINT companies they use these data brokers to pull in for corporate data streams. That is a very costly part. But the tool and models they use, how they enrich and refine all these large volumes of data, I don't think there is a lot of differentiation at this point. If you look at their dashboards, you'll be surprised how similar they all look. They'll have some pie chart, they will have some trend lines. They'll have some top like this, top X, Y and Z. They look shockingly similar. They'll have a couple of maps with different frequency charts or pie charts. It's because the back end has become so refined over the years, it's hard to differentiate.

Tegus Client

What about the pure data base? I understand that there are among the publicly available data, there is the one that you can easily or not so easily scrape off the web, dark web, with your own technology. And there is paid commercial relationship that provides you with publicly available data, something you mentioned around the Twitter, RedChair, Dataminr. If you compare large players like Dataminr versus smaller players like Cobwebs, is there a meaningful difference?

Senior Advisor/Project Lead at Institute for Security and Technology

Yes. There are these companies that essentially, they package and flatten all these large data streams for OSINT companies. And their pricing is really steep. So large OSINT companies, you can actually pull all this data from some of these data brokers, and this is why you can even get data from VK, Sina Weibo, and a lot

of these large OSINT companies pitch them as key differentiators.

Because "We have VK, we have Sina Weibo and all these other smaller companies don't have this data integrated." This is why smaller OSINT companies will try to show that, "We cover a lot of dark web data." right? So for one of the use cases they all pout is threat intelligence. And for threat intelligence, it is true that dark web data is very important. But they're not ingestible at scale. A lot of times, if you are looking at dark web data or if you're looking at encrypted chat app data, that is essentially done through manual curation and manual collection.

And that is not very scalable. So whenever somebody says, "We have full firehose dark web data," I get very suspicious. Because there are some dark web data commercially available. But this data already anonymized. So for threat intelligence, they're not very useful. And this is why a lot of smaller companies, need a lot of manual curation and manual collection.

Tegus Client

And Dataminr doesn't play in this dark web collection right now?

Senior Advisor/Project Lead at Institute for Security and Technology

No. They do cover dark web data as well. But I think they just have a lot more research. So they have essentially a dark web data collection team separately. So what they collect is a lot bigger. And they can supplement all the dark web data with the full firehose data they are buying from data brokers. For Dataminr, they have a strategic partnership with Twitter.

Tegus Client

So what kind of customers would choose a Dataminr? And what kinds of customers would choose a Babel Street? And what kinds of customers would choose a Cobwebs?

Senior Advisor/Project Lead at Institute for Security and Technology

I put Babel Street and Cobwebs in the same category because both of them tend to focus on threat detection and threat intelligence. So surprisingly, a lot of public organizations tend to use Babel Street and Cobwebs a lot more. Because they are looking at human trafficking, at incitement. They're looking at extreme gatherings and things like that. So they tend to look in a specific threat indicators or signals. I think Dataminr works much better with large enterprise customers that are running what we call a security operations center. They are looking at a more holistic set of monitoring tools as opposed to specific threat signals or indicators.

Tegus Client

Can you explain a bit more? I understand that Dataminr is helpful for large organizations with more like a SOC. What are the types of organizations that would prefer a Babel Street or a Cobwebs?

Senior Advisor/Project Lead at Institute for Security and Technology

So I'll tell you two categories. Imagine I am working with a large public organization that has a fairly robust security intelligence team. They use Babel Street. And some intelligence or law enforcement agencies may use Cobwebs, let's just say, they are particularly interested in drug trafficking or human tracking.

So these are much narrower use cases. Whereas Dataminr will be working with a Goldman Sachs. They'll be working with a DoD or DOS. So they'll be covering much broader situation of OMS requirements such as, "Who's trying to threaten U.S. interest in the South Tennessee?" Or, "Who's talking about attacking U.S. personnel around Ukraine? What are the latest alerts about this profile, that profile?" To me, it's about how general each use case is. If it's really narrow about specifics like enforcement efforts or security

requirements, they tend to go with Babel Street or Cobwebs. If it's more like an enterprise level.

Tegus Client

To double-click on that part, is it a pricing question where Dataminr is expensive and only a Goldman Sachs and Walmart, like the large organizations can afford? Another angle could be specific use cases where Cobwebs and Babel Street can be better. They may not cover all the breadth of the use cases, but in some specific use cases, they are better. What is the right way to think about it?

Senior Advisor/Project Lead at Institute for Security and Technology

Absolutely. I think you are spot on the result. And it also comes with some complications. I completely agree with your characterization, first of all. Second, it doesn't tell some complication because I don't think that there's very use case specific companies addressing a big market. And that they are also very sensitive to what I call like policy wins or political wins. And so I think this is why even Dataminr is walking away from those use cases because I think they learned fast that's just a small market.

Fon't get me wrong. I think Babel Street is doing pretty well. I think Cobwebs is doing pretty well. But in the end, the way I look at them is how big is this market? And I think there might be a reason. There's some other company, Blackbird.AI. That's another OSINT company that is focused on threat intelligence. They've been around for ten years. I think Babel Street has been around almost ten years, too. Cobwebs is a little younger than Blackbird.AI and Babel Street.

And I'm looking at their annual recurring revenue, and they're just not growing very fast. It's not because they're not innovative, but perhaps it's because they're addressing an inherently small market. And this is why I think Palantir and Dataminr walk away from this very narrowly defined threat intelligence.

Tegus Client

Is the market expanding? I understand what you're saying about limited market. Are there any avenues for the market expansion? For example, earlier, maybe only the federal governments were buying these, but now maybe there is some states and some local police departments? Is that market expansion happening or not really that's something that moves the needle?

Senior Advisor/Project Lead at Institute for Security and Technology

It's a complicated market. On one hand, the absolute volume of money spent on OSINT is growing. I've been in this space for over ten years. So it used to be an afterthought for everyone. Now it's at least something people pay a lot of attention to. However, I get some number crunching for my own company, trying to position myself. And the federal government alone spends about $850 billion a year on national security, across like DoD, DIC, DOS.

And there's a whole slew of other programs across the federal enterprise. And I went through all their funding authorization documents, and I check everything that can be marked as open source intelligence, and it comes out to only about $2.5 billion compared to like $850 billion. So that gives you a sense of federal prioritization in this space. In that sense, it's growing. But I don't think it's growing as fast as most people anticipated. And I can't give you a very specific number.

Thinking about two years ago, the entire open source analysis market was only about like $6 billion a year. I think right now it's approaching about $11 billion. So right now it's nothing. But if you combine enterprise reputation, critical or enterprise risk to include cybersecurity, that is about $200 billion a year. So compared to other segments in this overall enterprise like security and risk landscape, still the open source analysis is not very big.

Tegus Client

You said the open source intelligence is maybe like $6 billion or $10 billion. But where is that money going?

We talked about Dataminr being $1 billion. The other guys, I don't know, Babel Street is sub-100 million.

Senior Advisor/Project Lead at Institute for Security and Technology

Babel Street, I think is a lot smaller than that. I think it goes mostly to large defense contractors. I'll share an industry insight. If you think about some of the largest defense contractors, like Boeing, General Dynamics, and so on, they don't just provide hardware. They also provide a lot of open source analytic capabilities. That's where the largest chunk of this money is going.

Tegus Client

For one of my earlier questions, I was asking why do local agencies or commercial customers pick Cobwebs? Was that the price or are they good at something that Dataminr is not?

Senior Advisor/Project Lead at Institute for Security and Technology

I think it's mostly a Dataminr understanding that's really a tough small market. I think that created some room for second-tier companies to sell.

Tegus Client

Because Dataminr is saying it's a small market, we don't want to go there?

Senior Advisor/Project Lead at Institute for Security and Technology

Yes. And this is why you don't see a lot of new players going into the space right now. There is another reason for that. Law enforcement is an inherently small market because what's the first thing they care about: maintaining their personnel. How many offices they can have? How many analysts they have? Their IT budget is small compared to how much money they spend on people. Is that a market? Absolutely. Is that a market that's going to grow rapidly? I don't think so.

Especially given where the economy is going. I think there will be a lot of budgetary pressure ongoing for many agencies. And that's already happening. Now what's the first thing they give up? First, they stop filing contractors. Number two, they stop hiring new employees. Number three, they stop dumping the nonessential, noncritical software.

Tegus Client

So is there any international opportunity outside of U.S.?

Senior Advisor/Project Lead at Institute for Security and Technology

International, like government-level opportunities, yes. Because a lot of foreign governments have the need, but they don't have organic solutions within their own boundaries. So that is possible. Not at the local or state level overseas. Because they're even poorer than our own law enforcement agencies. However, selling off-the-shelf software to foreign governments, it's a very protracted sales cycle as well. It has to be vetted, it has to go through so many compliance and auditing processes.

There's a reason that only a handful OSINT companies have been able to sell their stock to foreign governments, because you have to build a dedicated sales team to be able to do that and compliance team. And sometimes, these countries also have data localization laws and regulations. That means that they need to set up servers in their own countries to use any of this OSINT tools. That is an added cost to these companies. So it sounds straightforward, but actually doing is incredibly costly and complicated.

Tegus Client

Other than Dataminr, Babel Street and Cobwebs, are there many other vendors in this space? Or is it between those three?

Senior Advisor/Project Lead at Institute for Security and Technology

There are quite a few more. I don't know that there's a whole of them. I'll just add a few more names that comes to my mind right now. Primary.AI is one of the big rising star in the space. I'm pretty sure you guys heard about Hootsuite, Meltwater, Sprinklr. They are new companies that pretty much every month in this space. I think because there is a lot of public attention to this problem set. However, as somebody who's running his own tech company, I can tell you, people's curiosity does not equal revenue.

Tegus Client

So I look at Primary.AI, looking at their website, they talk about using NLP and stuff to gather the real-time information. So does this look like the next-gen Dataminr or Cobwebs?

Senior Advisor/Project Lead at Institute for Security and Technology

No. It's not a future Dataminr. I think it's much more verticalized. So it reminds me of Dataminr. It's not trying to do everything. It's trying to do one thing really well, and that is essentially tax automation. Essentially making the user experience last in line. So you don't have to learn new tools, you don't have to learn new software. You don't to have to learn how to write code. You just push a button and you get your automated summarized reports. That's what I mean by the refinement of front end and user experience is what sets apart great OSINT companies from mediocre. And by the way, Primary.AI's back-end technology, it's not really that different.

Tegus Client

You put the NLP and stuff in the front end. I put the NLP and stuff in the back end?

Senior Advisor/Project Lead at Institute for Security and Technology

No, NLP is at the back end. Absolutely, back end. So that's what we call like ETL. It's like transform and load. What I'm talking about is what they deliver to their customers. Primary.AI, if you look at their user interface, you have two options. You can generate automated reports or generate automated data sheet. So end user doesn't have to know anything about ML or NLP. Doesn't have to learn how to use a different tool. Dataminr works in a similar manner.

If you set up Dataminr, all you get alerts on a flag or e-mail or on your text messaging. How simple is that? So a typical expression I use is that tools that try to make people smart, never succeed. The smart tools that make dumb people feel smart, always work. I don't like tech companies that have to explain how smart their solutions are because people are not willing to learn another tool at this point. We are inundated with tools.

Tegus Client

I've heard previously that most of these other companies here we talked about are U.S.-based and Cobwebs is Israeli company, maybe provide a bit more difficulty in getting into DoD or those intelligence community contract. Is there any truth into that?

Senior Advisor/Project Lead at Institute for Security and Technology

I think so. I think they do have some deep cyber shops. And this is why they tout their capability on anomaly detection, especially with dark web data. I think they do have some cyber shops.

Tegus Client

What I meant was them being Israeli company, does it make it harder for them to penetrate different countries?

Senior Advisor/Project Lead at Institute for Security and Technology

No, but there is a lot of established channels for Israeli companies to sell to the U.S. And they're specialized consulting firms or even VC firms that help Israeli companies sell in the U.S. So it's not the same as the other way around.

Tegus Client

Once the customer starts using these products, how often do they change this product? How sticky are these?

Senior Advisor/Project Lead at Institute for Security and Technology

I don't think they're very sticky. Because I think the overall technology is fairly interchangeable. So let's just say I'm using Babel Street one day, and next day, I'm going to switch to Cobwebs or I want to switch to Primary.AI or I may even switch to like Dataminr or Sprinklr. Would I feel any pain the next day? No, I don't think so. I don't think at this point, they're very sticky.

Tegus Client

But isn't there any workflow, ticketing or any other collaboration on top that?

Senior Advisor/Project Lead at Institute for Security and Technology

No, this is what I mean integration is what sets them apart. So I think the stickiness comes from the ease of use. So I don't see a lot of people switching away from Dataminr. Because if you go from Dataminr to Cobwebs, now you have to retrain your analysts. Now you have to reintegrate Cobwebs into your workflow and so on and so forth. So the easier it is to integrate, the sticker they get. And I'll tell you another observation, a lot of these OSINT tools, if they integrate smoothly with CRM software, that makes sales so much easier. Because everybody uses some CRM.

Tegus Client

Great. Well, thanks for your time and insight. Have a wonderful rest of your day.