

Dataminr - Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Interview conducted on March 05, 2021

Former Head of Revenue and Operations- EMEA and APAC at Dataminr, leaving January 2020. Expert can speak to Dataminr's growth strategy, leadership pain points, business opportunities moving forward and overall industry trends as an industry consultant.

Expert is the CEO and Investor at Tacenda. The Expert started the company focused on revenue operations for startup organizations. Monitoring marketing and retention KPI's and build out the strategy for their client CROs.

Prior, the Expert was the Head of Revenue and Operations- EMEA and APAC at Dataminr, leaving January 2020. Reporting to the Chief Growth Officer, The Expert worked as a scale up partner. The Expert build out their sales teams and growth processes for the organization to expand internationally. The Expert was responsible for assessing the competition, the gaps and the market trends. The Expert can speak to Dataminr's growth and opportunities moving forward.

Tegus Client

Hello, thanks for speaking with us about Dataminr. Maybe the right place to start would just be to share your background with me. And specifically, what you focused on at Dataminr and how that changed over your time there?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

So I am a scale-up specialist on the delivery side. I have designs buildout and optimized and run the growth engines for companies like VMware, GoCardless, Dataminr. Most of the fastest-growing companies like that. I have done that for 25 years. I currently have started my own startup. I'm just saying, "I'm a skilled expert, I better be successful. Putting your money where your mouth is and all of this."

I have designed an end-to-end revenue operations platform that would maximizes revenue generation right across the entire company. So instead of looking at one vertical at a time, one department at a time, like sales and marketing, the system looks at campaigns as conveyor belts that run across the business.

So it monitors the waterfall through marketing, right through sales, right through retention and upsell and everything else. It monitors 3 million combinations at any one point in real time and flags you as soon as something goes straight. And then there's about 60 filters it goes through to tell you exactly why it's going straight and how much it's going to cost against your payment. So we're signing up our first beta testers at the moment. It's all very exciting.

Tegus Client

Great. That sounds like a really exciting business, and I'm sure it's been thrilling to kind of start something on your own and go through that whole process?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Yes, I normally do the scale upside.

Tegus Client

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Yes, maybe just kind of walk me through kind of what you did at Dataminr? What your roles and responsibilities were? And then maybe how that changed over time as the business started to scale?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Yes. So Dataminr, we're in an unusual position. They were starting to commercialize something that they had already been selling to the government for quite some years. So the majority of the revenue that comes in to Dataminr is from companies that are quasi stiped, so CIA and stuff like that.

Because if you think about being able to distill that amount of information quickly and get it to people and sucking up the entire Twitter feed, there's a lot of interesting STIP bodies, that would be very interesting in that. So you've got that sort of base of revenue coming in. Then I felt like, "Can we commercial this? Can we sell it?"

So they developed 3 strands, one was a security strand. So you will be selling that to security personnel within large enterprise organizations, in particular, ones that have a real duty of care for their staff. Another vertical what they focused on was the news. Many news corporations now use Dataminr because it gets them information quicker than traditional sources.

And then the last majority goal that they were looking at was the financial vertical. So looking at trading floors and traders and giving them feeds for certain market types. They all have different average sales prices. They have different scale times. They have never built out a B2B scalable field force before, so they came looking for me.

They head on to me, and I started to model, "What does your sales engine look like? Where you are getting the best traction? What messages are you giving to certain buyers? Who's involved in the buying process?" And then sort of building something repeatable and scalable for them. They enjoyed reasonable success, not what they want, but reasonable success globally, but much more success in the U.S. because you guys are more fond of shooting each other essentially than any other culture that I'm aware of.

So your approach to security is a lot more stringent and it's considered part of the cost of doing business. Whereas in countries like Italy or France, it simply just isn't as high on the agenda. So the current success that they're getting from the rapid growth of the commercialization of the product is mostly from the states, a little bit from Europe and then they were helped them start to set up in Australia, but they were really struggling in Australia, and they were really struggling in Japan.

Tegus Client

Great. And maybe could you talk me through what the security product? It sounds like the news in financial markets are kind of vertical-specific. Security is this broader horizontal product, but just what the value prop is? What the product looks like? And then kind of who was buying it?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

So it's interesting. You put in different hashtags essentially as to what you want to see. And just say you are an oil company in Kenya. You put in the local area around you. So hashtag whatever time it is and then riots or kidnappings. All the system funnels are filters through all of that and picks out what it thinks are relevant news stories and then gets them to you, pretty much within about 3 minutes of them being put on the Twitter.

Now, the people who would be interested in buying that are typically the people here in charge of risk or security in a business, whatever their relevant job titles are. The reality of how the platform works is slightly different than how they say it works other than a complete lie.

There is a reasonable amount of sifting that goes on from an AI perspective, but there's about 1,000 people employed in the company who do nothing but go through all of the stories that are presented to them and make decisions about how relevant they think they are and put them into certain verticals and under different hashtags and then attach other stories to them.

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So there's an enormous piece of work that is not automated going on in there that they don't tell people about. So if you're thinking about their ability to scale and control their cost base, it's still impacted quite heavily by that approach.

Tegus Client

Got it. And those people are just reviewing the signals that get pumped out of the system and then tagging them or determining how relevant they are?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Yes, it's one of the most impressive things you'll ever see. So those teams are run by people with a media background, typically editors. So they have got a real feel of a press floor about them, but the people who work in them are usually ex-government specialists.

So these are the ones who they would have certain feeds of hashtags going to them, and they have about 5 screens open at once. And then they are moving stuff around and attaching them to each other. They put them in a package, and then that package is sent to the editor and the editor decides whether or not it makes sense unless it valued and it could be substantiated, and then may press "Go" for it to be released on the platform.

Tegus Client

Okay. And obviously, a part of the attraction of the business in theory is that it's like basically an information services business that's infinitely scalable. But it sounds like you think that it's more manual and that they are adding more people as they add more customers and data sources?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

It depends on the nature of the data source. So they were adding stuff from the information collected from aircrafts and stuff like that. Everything can be collected and put in there. The more structured the database is, the less an AI is going to struggle with it and thus the less a human is needed to intervene.

But there is an enormous amount that you still need to do from an expertise point of view, from a human point of view, to pool together, things that are relevant or to spot specialist use on information sources. It's very hard to extract that level of intimate knowledge from human being to make it into an actionable rule set. So I do think they are going to add lots of structured databases to it, and they are going to enrich the data really well, but they are still going to suffer from this human requirement for quite some time.

Tegus Client

Got it. And then jumping back to the security product. Who are the users of the product? Is it hundreds of people in the organization or just a handful? Is it just the Chief Security Officer? Walk me through who's using it and how they are using it.

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

So you have a customer of Dataminr who's like an administrator, and that's usually the security office. So then they will sign up for the app and the feed, and they'll pay you for the license from that point of view. Then they will get the app onto the phones of the employees. So then when something goes wrong, those employees are fed very specific information about what's happening around them.

So there are good examples. In the riots in Paris, whenever those guys blew up the theater, coming over what theater that was. The Dataminr were able to tell the people on the ground who were using that app, what was happening with pictures? So you were getting an update as the riot has moved through the square. And then you will get a picture of the square, and you would see the people kicking and putting on Twitter,

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and you'll see live versions of the event, and that's within 3 minutes of what's happening.

So people who had that app had more idea of what was happening around them than the police did. So it's a very powerful tool. So it's a security office that manages the feed. And then sets the rules for who should be fed what and what they are interested in.

Tegus Client

Got it. And what is the monetization model? Are they paying per seat or per user? And what are the rough ASPs for the security product?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Now this is an interesting one. When they brought me on, they wanted me to double size the business in the first year. So the first thing I did was double the license fees because it was \$8,000 was the average sales price, and they had absolutely no rationale to support this. There was like, "Well, why are you charging \$8000? Why don't you charge \$ 50,000, and see if people say yes?"

So because there was no competitor, really, out there, like Sprinkler is there, but they are nothing compared to this behemoth. So I pushed the average license sales price from \$8,000 to \$27,000 in the first year and people paid it. And we were experimenting with different models, but it was linked to the amount of employees and so on that would be getting the information. So we have different bondings.

Tegus Client

Got it. And for a large Fortune 500 company, I know they have a bunch of logos, but let's just take a Walmart or a UPS or a Target, how many seats would they buy? What would their total license payment be annually? Because presumably, it's probably more than \$ 27,000 for the large customers.

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Yes, I was just giving you an average. For the large customers, we're talking about a quarter million dollars.

Tegus Client

Got it. And then that's just for the security product, you are basically using it for advanced data notifications if there's a store shooting in a Walmart or if there's a terrorist attack in France? Or if there's like a PR issue, they're basically just getting the information faster than they would otherwise is the value prop?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Yes. They did have a fourth channel, which was actually PR, as you mentioned. They are about getting information quickly to senior executives, in case the instruction is, "don't talk about this?" Then that's important. But the PR that starts it, never took off at all.

Tegus Client

Yes. And as I think about this business, it seems that they are early in monetizing on the commercial side. If large customers are paying \$250,000 today, how do you think about the long-term monetization potential for this business? Could they eventually be selling 3 million ACVs to their customers?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

It's just so I've really struggled with this because I was trying to find traction in different areas to work on how to scale and where are we getting traction and why? Our conversion rate, from initial opportunity to

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close, was 8%. So it's horrifically low. And but once people signed up for the product, the retention rate was over 90%.

So people, clearly, once they started using it, we're getting very substantial value because they were buying up every single year. But we couldn't work out because we were asking people, "Why are you using this? Why do you like it so much? How are you keeping it?" Taking all of that information and then training the sales guys at the front end of the engine to get these messages across, and it still wasn't impacting our opportunity conversion rate.

So I never got to the bottom of what was wrong in there. It still frustrates me to this day. But because the retention rate is so high, about 75% to 95% of revenue that exists within a company at any one point is in their installed base. So if you have a 90% retention rate, anything that you bring in the front door is going to add to your multiple. So the growth rate is still going to remain substantial, unless something changes.

They are going to be around for quite some time. And if they do manage to structure the product better for enterprise consumption, they're going to be able to charge significantly more for it. The challenge that they have at the moment in this and with product base, it's the product is exactly the same for all of those 3 verticals that I've described to you. The only difference is that you put in different hashtags.

So they are approaching very large companies and saying, "Hey, we've got an enterprise product." Now an enterprise product to me is something where I can have different departments with different access rights and something else. We have different features that apply to very large companies. None of that exists. It's just a bigger license fee.

That's all it is for exactly the same product, except one of them says, press on it, the other ones says security on it, the other one says financial on it, that's literally the difference. They are growing that side. And once they get the nuance of shaping that product for the vertical, I think they will be sitting on something quite substantial.

Tegus Client

Okay. And do you think if they can figure out the monetization model, they could be having ACVs within large customers that are 1 million or 2 million as opposed to 200,000? Or dimensionalize what you think the opportunity is if they can solve that problem.

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

The answer to that is, yes, they have potential. Will they actually deliver on that potential? I'm not sure. I left because of this reason. I watch them internalize these discussions and say, "Oh, look, this person pushed our license fee from an average of \$8,000 to \$28,000." Now I did that. That's not a big change, right? That's just asking for a bit more money.

So then they come in and start speculating and saying, "Well, then we're going to ask for GBP 0.5 million. And I was genuinely looking at them. It's kind of CRO x10. You're going to turn up in a renewal and asked it for someone for, like 5,000% or 10,000% more and having no new difference in your feature list.

And the one thing that they discovered was, in particular, in Europe and the Far East, when they went in and tried to set up these really expensive enterprise selling models, they did not work. They produced precisely 0 over a year. And they were selling really well into SME with very poor traction in enterprise outside of these skills.

Tegus Client

Interesting. And why do you think that is? Because it seems like a good enterprise product to me.

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Well, so it's a good enterprise idea, but they haven't productized it. If you're going to sell something as an

enterprise product, you can't turn up and say, "We're going to send you a Twitter feed." It has to have some sort of structure around delivery, and you have to think more seriously about how people are going to use it, and how you feed that information through them.

And then you want to charge for that feature list, to be able to switch it on and off. There's nothing like that. It's basically a Twitter feed that goes to your employees. Like, you can filter that a little bit with the hashtags, but there's no real enterprise-level structure to it. So they really need to think about that and really need to push that side of it.

Tegus Client

Got it. And then just to make sure I understood, so you said that retention was 90% or above 90%. So that sounds really good, but some portion of customers were churning. Who didn't renew? What type of customers left and why?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

The most churn that I saw was in the press area and in the finance side of the business. The reason for that was the feeds that were coming in, that were specific for finance, were not being filtered well enough.

And the press vertical is generally under pressure at the moment. They are getting thinner and thinner with regards to the budgets. So it was mostly due to their company disappearing or the fact that they simply couldn't afford it anymore rather than they didn't like it. The security side of it was almost 100% retention.

Tegus Client

That's great. And was there a significant expansion within customers? I know they had maybe just started selling it on the security side, but maybe when you left, I don't know how big that business was. But in a lot of the software businesses we look at, especially when they are early, you look for 30% to 50% net expansion within the customers that you have as a big driver of growth.

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Across the installed base, we had an average of 20% upsell every year. So we had built into the flat license fee a 5% uplift every single year. So that happened just by renewal itself. There was then incremental about 20% across the entire base of upsell.

Tegus Client

That makes sense. That's a good sign. Was that generally permissioning more users? Or is that Dataminr taking price or at new functionality? What drove the discretionary 20%?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Adding the license. So more employees getting information or the scalability of feature list.

Tegus Client

Yes. And how efficient was the sales model? It sounds like there was traction in enterprise in the U.S., not internationally. Were you able to kind of deliver attractive unit economics and sales efficiency in the U.S., at least?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

So that was a banded answer. Enterprise was not so successful outside of the states. It was very successful

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in the states. SME and smaller licensing size were very successful globally. The sales machine itself was hugely inefficient, but this was beautifully covered over by the retention rates. So the sales engine itself on the acquisition side was losing money. But by the time you got them onboard, on the fact that nobody ever left, the way though revenues work, the company was in a reasonable position.

Tegus Client

Yes. And talk me through why the sales motion was so inefficient.

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Because of the conversion rates being super. So they are having to pay for an ABM marketing model, which is expensive. That's then treating an SDR model, which is expensive, too. And their conversion rate from opportunity was 9%, which is horrific. So it was hugely inefficient. I could never see a clear reason as to why that was because if everybody keeps it, who buys it. It must be doing something good, right? So it must work. It must provide value in some way.

Tegus Client

Is that a customer education issue or a customer segmentation issue? How did you think about why conversion rates were so low?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

So this is my 2 cents. I think Dataminr was a bit of opportunist in the way that it was hiring. So they were hiring in people with backgrounds in Google and IBM, and no offense, salespeople in Google and IBM because I was one of them. I worked for Yellow Pages many years ago. If you work for a big name like that, you're not a salesperson, you're no order taker.

I personally hired in a couple of people who came from startups, who are used to selling, not just a new product but a new company on a new market. Because that's what these guys are doing. You have to even understand that there is a security sort of timing information market before you even think about who is the best supplier in it. So you're having to do an awful lot of education upfront. And I personally think that they were selling out the sales orgs with people who simply were not capable of delivering that.

Tegus Client

Got it. And to jump to that, like, how did you think about the quality of the sales leadership kind of at the top? And I know they brought in some new folks, maybe their Chief Revenue Officer or Head of Sales. Were they the right fit for the business? I think there was a guy who came from Cision. Talk me through the quality of the leadership since it cannot be aligned.

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Jason is a good character. He clearly understood the business. He has a very strong track record, and I felt that he was asking the right questions. Below him, there's a couple of generals who really were valueless and caused more disruption than anything else. I know that they've recognized one of them and given them a boot, but there is questionable talent at the level below Jason.

Tegus Client

And is that something that Jason was focused on fixing or capable of fixing?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

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I believe so. At that level, there's all sorts of contractual issues you've got to think about. There's even just PR. I speculate that they are preparing for an IPO.

Tegus Client

Understood. And then maybe on competition, when you were selling into customers, were they comparing Dataminr to anything else? Or was it really kind of an n of 1 in its category?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

It's n of one in its category. There's people out there trying to compete, but like Dataminr has seriously deep pockets. They're sitting on \$0.5 billion in cash, some crazy number like that. So they've got absurd amounts of money just sitting there, and they are throwing this into development.

And they have regular income from 5 and 6 year contracts with government agencies around the world. So like they are millions of lines ahead in code. I would say, it's very difficult for someone to really break into that market.

Tegus Client

Got it. And maybe I guess just touching on the product itself. I know I've followed the business for a long time. It obviously started primarily scraping Twitter feeds and delivering that information in a more customized and targeted way. I think something the company has talked about is adding significant, maybe tens of thousands, of new data sources into that feed across social media and kind of other Internet sources and proprietary things, like FAA, aviation signals, IOT.

Can you talk to me about the evolution of the product? And if it was getting the pace of progress and improvement during your time there, was it continuing to get meaningfully better? Or is that more a marketing fluff?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

No. They were generally adding those datasets in. They are adding significant quality. As I was saying from like some of the more structured data sources alike for a machine learning approach, which is manageable. Whereas, whenever you're scrapping unstructured data from the likes of Facebook and Twitter, it's a lot more difficult to try and categorize and get that data to you in a relevant and timely fashion. So the more stuff that they were adding in was definitely enriching the data and simplifying the ability to sort it.

Tegus Client

Got it. And on the competition side, are there any major customer or potential competitors you'd call out, recognizing that Dataminr's got a big capital and time advantage?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

I think Sprinkler is the next one that's even close, and it's still not close.

Tegus Client

Yes. I know Sprinkler is mostly a social listening tool that's used by marketing teams more than anything else. Is that right?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Yes. As regard to anybody who is a real competition in that space, there's no one even close.

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Tegus Client

Got it. And why do you think that is?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

I think it's because of their path that they grew on and because of the amount of money that, that path gave them. They started off in association, so they are part owned by Twitter. So you've got to just bear that in mind. So the 100% of the Twitter pipe goes to Dataminr. And they have very stringent sort of bidirectional legalities that reinforced the way how much Twitter gives to competition.

So they own the feed. There's nobody else out there who gets anyone near the proportion of the feed that Twitter gives Dataminr. So that's one of the reasons why they cut at corners. It's also one of the reasons why if people signed out on Twitter that this information, their personal information is being given to the government. There's a very real chance of a revote of people stopping using Twitter or weakening Dataminr's position.

Tegus Client

Yes. So it sounds like it's a true n of one product. Obviously, the combination of preferential data access, the first-mover advantage and then just the positive feedback loop from building and learning, kind of, building machine learning on top of that and then learning from the data is sort of a runaway advantage, which makes sense.

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Absolutely. If you come in nearly to that market, why do you have to give that?

Tegus Client

Yes. And maybe jumping back to the commercial business. How big of a market is this really? And can Dataminr be selling hundreds of millions of dollars of software revenue 5 years from now? Or is this kind of fundamentally a pretty niche product? I would love your perspective given some of the other companies you've worked at, just how scalable do you think it is? And how do you think about the TAM here?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

I think they're on a very short runway as regards security. Unless something severely changes in other cultures around the world, and other people start shooting each other in schools, there's a very real risk of total execution risk.

Tegus Client

Yes. I guess say a little bit more. Execution risk with inside the business or?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

No. Total execution risk is where the time is a lot smaller than you thought it was and you run other people to sell to. If you think about them heading the security office in lots and lots and lots of companies around the world, within a certain bond, within the enterprise market, there's only certain variables, like oil and gas and airlines and stuff like that, that really want and need for that type of product.

I think you could run out at the time reasonably quickly. So they need to be developing into other verticals. And I did not see any real action towards that. So I do think that their growth rate is going to slow.

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Tegus Client

Yes. And maybe can you talk me through like what the target, like the high impact, high demand verticals for the commercial products are today? And then how they might think about expanding beyond those?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

I actually built a model, I'm trying to remember it. But from the top of my head, it was oil and gas, energy, mining, travel, and telecom. They were the main verticals at the enterprise that they were getting traction.

Tegus Client

Got it. And I caught up with some other kind of folks who know the business, and it sounds like more recently, maybe in 2020 they started to win kind of mainstream, like technology businesses and retail businesses. So like a Walmart or a Google or a UPS. It seemed like they were starting to expand horizontally. Did that happen when you were there?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

So we did have Walt Disney and a couple of big companies like that, yes. That was part of the enterprise expansion being led out of the states. So they were getting traction on that side, but that is a relatively new part of the business.

Tegus Client

Got it. And how should I dimensionalize or think about the TAM, maybe a simple way is how many companies are interested in this product and are likely to adopt? And then how many users within the company are willing to pay for it at the \$30,000-or-so lift price? Is there any way that you've thought about just kind of framing what a natural TAM is for them and then how they could expand it through new products?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

If I had to stay there 6 months more, I could have answered that. What we were doing was experimenting at that point. And as I said, in the verticals I just listed to you there, we were getting traction. We were getting our average license size and pushing it up. I would say, the average license size within enterprise would now be about \$50,000 outside of the states.

Tegus Client

That's great. And then how did the commercial expansion go relative to the senior leadership's expectations? Was it as successful, more successful, less successful?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Significantly behind.

Tegus Client

Got it. And what was the source of their misunderstanding or overoptimism?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

I have a few cherries on this one. But if you're charging an average of \$8,000, and then you want to go in and say, "We're going to charge you \$250,000, you need to have a good reason for doing that."

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That decision to push the average license across way up was made at the top levels in the company where everybody was patting each other on the back about how amazing they were. They were not testing our client base, and they were not changing the product significantly enough to justify these changes. The new ask that just seemed a bit much to me, hence, why I left. I was just like this is never going to work. And I gave them a year to prove it. And outside of the states, in EMEA, they hired 5 enterprise salespeople, who were all very good, and they produced precisely 0 over a year.

Tegus Client

And so what year was this, 2019?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Yes. As they were going in and asking for crazy amounts of money for something that people already knew was previously getting charged \$9000 for. You can turn up and ask her anything you want, but you've got to have a justification for it. You can't just say, "I think it will be \$250,000. It was nuts."

Tegus Client

Got it. And can you talk through your views on the senior leadership team from kind of Ted to his other top lieutenants? And just how commercial you think they are? What their real strengths and weaknesses are?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

I think Ted came up with a great idea because you guys have no idea how to run an organization of that size. He's past his usefulness. They were starting to bring in people like Jason, who have got a good commercial background and ask the right questions, but the product leadership are disappointing, and they don't really understand the commercial business.

So there's also a crew, like, whenever you have a government contract, it's paying a couple of million quids. That's where your resources go, that's where your product improvements go and everything else. The commercial side of the business was like an afterthought, and they tried to pretend that they were doing something with the product to make it more suitable to sell in the commercial space.

But every single time the commercial side requested a change to the product, it was rejected every single time. The military requested a change they brought it, it was delivered. So from the product point of view, it's a half-hearted attempt at commercializing, which was pretty tough on the sales people. I can't remember what the lady's name was. She was the CMO. I think she got the boot, the marketing side of the business was a disaster. So I think they were beefing that up as I left.

Tegus Client

Yes. And what are the strongest areas within the organization, kind of what are they particularly differentiated at, like, within the leadership or culture?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

So I can only talk about the culture outside of the states. I believe the culture in the states was much better. There's a guy called JB or JD. So he was the VP of International. He seemed a bit lost. And he had actually shown tendencies to be offensive at times.

The culture outside of the states was horrendous. Many salespeople just left because they wanted to hide. They were getting randomly beaten up. They were not being supported and then randomly getting beaten up because they weren't performing even though they were never been supported.

The ability to deliver in the side of the business where they sift through the data and it's run like a press office and so on. That's literally one of the best runed parts of the company I have ever seen. It was amazing

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and so good at their job. So their ability to deliver what the product was supposed to do is spot on.

Their understanding of a commercial model and how to build out a commercial model is incredibly weak on the outside of America. I can't really speak for that. I can't give you the same eye difference of those.

Tegus Client

Got it. And then as you compare it to some of the other companies that you've worked for, how compelling of a business is it? If you were an individual investor and you think about you worked at GoCardless, you've worked at some other big businesses. Just as you think about the combination of product, market and team, like where would you rank it relative to the companies that you've worked at?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

If I was looking to scale up stock, I would not be looking at them. That's a cruel stock, as in long-term growth. They've got great contracts with government agencies so the business is always going to perform. And the more they manage out the staff and replacing with automation, their GM is going to go up.

So their valuation is going to be pretty good. It's a good company. The side of the business that's focusing on the commercial angle and their ability to scale, I have big question marks over.

As I said, I've built IDs, growth engines a number of times. You can have a great growth engine but you still have a reasonable product and you can see a massive TAM and you know it's going to sell one way or another. It's just fine-tuning it. They are nowhere near that. They're having to really try the sale. And as I said, their growth side of the commercial business is driven by upstreaming high retention rates, not because lots of people are buying it. So it could throw you into thinking it's a lot better than it is.

Tegus Client

Got it. So if I told you that to make an investment in the business, you'd have to believe the commercial business could sell \$200 million revenue, \$200 million of kind of ARR per year, just in the commercial business, ignoring the government business, in 5 years from now, what would your reaction to that be?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

I'd laugh at you. I'll tell you why because I built out their scale model. They took my plan and said, "No, we're going to go a different direction." And I'll tell you why. I built out their scale on the SME market where they were getting traction, and there was a lot more people to sell to. And I said, "Right, well, we can work on this traction with a higher retention rate and that's where you're going to get your growth."

They looked at that and said, "No, we want to focus on enterprise, where we have sold precisely 0 over the last year, and we want to focus on license sizes above \$250,000, and we're going to hire in, I think, it was 10 enterprise salespeople to add onto the 4 that already existed, which had never sold a single license. The only place where it's working is the one where you're removing cost. So their ability to deliver is very much in question. That is like one of the bravest decisions I've ever seen."

Tegus Client

Yes. And I guess maybe just to unpack that a little bit. How do you think about the difference in success within enterprise in the U.S. relative to international?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Culture.

Tegus Client

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So it wasn't like in one location or customer demand?

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

It could grow? No. When I say culture, I mean American culture. So if you run Walmart, there is a genuine risk that someone's going to come in with a gun and shoot people. So you need this product. And if you run Tesco, nobody has ever walked into Tesco and shot anybody, and they never will. American people tend to kill each other a lot more. So it's a genuine need there.

Tegus Client

Yes, it's a real risk. That's the reason for adoption. Where in the U.S. Walmart is saying, "I need to know when there's like a shooter who comes in my store", and that's just not as salient of an issue in France and the U.K. and much of Asia.

Former Head of Revenue and Operations, EMEA and APAC at Dataminr

Yes. So basically, if you change the gun laws outside of America and get a race war going, then invest in Dataminr.

Tegus Client

Got it. Well, thank you for spending the time. It's been really interesting.

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