

## Tucson investors see future in software that predicts

By Philip S. Moore, Inside Tucson Business

Tucson-based venture capitalists are leading a group of angel investors who are putting \$2.2 million into helping two University of Arizona graduates take their nine-year-old business software technology to the next level.

CopperKey Inc., which is based in Gilbert, has created a product called BizFusion which enables a business to search customer or prospect databases for predictive attributes to improve marketing results. The software also compares database results with third-party data provided by CopperKey for new customer acquisition, cross-sell and up-sell applications as well as response analysis. Geographic mapping capability is also integrated into BizFusion to show where the predicted results will come from.

David Castillo, who graduated with an engineering degree, and Don Kridel, whose degree is in economics, developed the software. Companies can buy it either as enterprise version through a site license or access the data through a server portal.

"It works the same way as a human analyst, only it does it with a computer," Castillo explained. "It uses a knowledge base of point-of-sale data and other market demographics to predict the behavior of prospects."

While the analysis algorithm is the same for all companies, Castillo said the system "isn't canned. The evaluation algorithm is always the same but, because the data set is unique, the results will always be different and customized to the particular needs of the company."

About 20 people already work at CopperKey developing and marketing the BizFusion system. What the current venture capital round provides is about "aggressively moving the marketing engine forward. It allows us to concentrate our sales and marketing focus for the next stage in our growth," Castillo said.

Rick Gibson, managing director of Tucson-based HOTventures, which is leading the angel group sees the potential of CopperKey's BizFusion.

"Their data analytics business is already beginning to boom. So, we hope our investment will create, in the next year or two, a greater focus on getting the word out that this product is working and installed in several dozen companies where it's already enhancing their sales efforts," he said.

CopperKey already has more than 40 corporate customers using its technology including AccuData, Acxiom, AcquireWeb, Apple Computer, Avnet, Cabela's, Cingular, CPS Printing, ePrize, Experian, Grainger, Kern Direct, McCook National Bank, Onvia, PolyMedica, RSC Equipment Rental, SBC, Taser International, TiVo and Valpak.

The next stage is to expand distribution to the point where CopperKey will have sales in the range of \$20 million, along with solid profits.

"I wouldn't rule out an initial public offering, but the likelihood, at this point, is greater that another company in the data analysis or direct marketing business will be interested enough to acquire them," Gibson said.

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