

## **Big Data Artificial Intelligence Platform Changes the Game for Small and Medium B2B Sales and Marketing**



**Olin Hyde**  
CEO  
LeadCrunch

**CEOCFO: *Mr. Hyde, what is LeadCrunch?***

**Mr. Hyde:** LeadCrunch delivers high quality B2B leads at the top of the sales and marketing funnels. It solves the problem of inefficient and unpredictable growth. LeadCrunch empowers small and medium sized businesses to focus their efforts on the prospects that will generate the most profit. We take a list of your best customers; as few as 25 examples, and find new sales prospects that are just like your best customers. This allows sales and marketing executives to drive growth by repeating what they already knows will work.

**CEOCFO: *Where are you finding the leads? What is the process?***

**Mr. Hyde:** We are constantly collecting proprietary data on every business in the United States. Our system automatically finds data using processes we learned in modeling national security threats, fraud detection, cyber security and financial markets. LeadCrunch deploys thousands of intelligent software agents that look deeply inside business data to find insights about their preferences, people and purchase patterns.

**CEOCFO: *How many sources might you be pulling data from? How are you putting it together?***

**Mr. Hyde:** The typical customer gives us 25 to 50 of their best customers as a training set. For each one of these companies we potentially look at hundreds of thousands of data sources. We data mine everything from technology stack to job postings to court filings to regulatory filings to press releases. We read every website and every mention of that company on the web. We look at social media feeds. We also purchase data from data providers that evaluate specific characteristics such as credit risk. By intelligently combining all of this data we are able to create a rich picture that lets us predict how these companies, and other like them, will behave. We are using machine intelligence that scales far beyond the capacity of what a human can evaluate. LeadCrunch finds patterns and attributes that predict why companies buy from our customers. It detects the key characteristics of your ideal customer profile. This is like DNA in that it distinguishes the unique traits that make your customers "your customers" as opposed to someone else's customers. Then when we find similar DNA in other companies we deliver those to you as a leads. You can think of it as Pandora for lead generation. You tell Pandora what songs you like and it makes suggestions. You tell us what customers you like and we find similar ones.

**CEOCFO: *Might the weighting of different aspects of what you find change for specific industries, specific types or sizes of companies? For example, do you give more credence to social media for a particular type of company as opposed to job postings?***

**Mr. Hyde:** Absolutely! That is exactly what the system does! LeadCrunch creates a model specifically for each individual customer. It knows what data to use, what weights to give to each data source and how to adjust to each unique customer. Unlike our competitors, our system adapts to each and every user of our system; hands free, via completely automated processes. This is why we call it artificial intelligence. It dynamically adapts without any explicit programming. It learns from data and human interactions.

**CEOCFO: *Where was the biggest challenge in putting your offering together?***

**Mr. Hyde:** The biggest challenge was making the system entirely self-service without any technology dependencies. At the moment we are the only self-service, coin-operated lead generation system that anyone can use. All you need is an

internet connection and a credit card. Our goal is to democratize artificial intelligence for small and medium sized business. If you have a CRM, great! You can use it to manage LeadCrunch leads! If you do not have a CRM, great! You can still use LeadCrunch leads. Putting our solution together required that we solve three vexing problems: first, how to make AI easy to use; second, how to automatically generate precise predictions for each unique user; and third, how to collect accurate and sufficiently complete data picture for the millions of small companies that most data sources ignore. Each of these three problems required new ways to think about the problem. We arrived a solution that does a really good job of enabling our customers to find buyers that are not searching for their solution, but need their solution. These are the companies, the buyers that do not raise their hand. They may not be searching for your product or service. Often they only have one million in sales and no social media presence. We often find the Main Street businesses that are the up and coming American success stories. We know they need your product or service because we have information that indicates that they are just like other customers that you currently have.

**CEOCFO: *How do you get over the skepticism?***

**Mr. Hyde:** A free trial. Unlike our competitors, we are not asking people to believe us or sign up for annual contract. We are asking people to give it a free trial. If you like the trial, buy a single month of leads. We will give any qualified prospect 100 leads for free. We do this because we have beautiful conversion rates; people that try our service love us. We have been written up in Inc. Magazine, Entrepreneur, Huffington-Post and many other news sources. We have great cases studies of early customers who are having phenomenal success. And all this media attention is organic. We've spent almost nothing on marketing or PR.

**“There is nothing more valuable than a great sales person. Our big idea is to give sales and marketing professionals superhuman power by telling them where to focus their efforts. We give any business, of any size, the ability to grow by augmenting human intelligence with artificial intelligence. LeadCrunch makes sales and marketing for efficient. It lowers the costs of customer acquisition and shortens sales cycles by providing high-quality leads at the top of the funnel.” - Olin Hyde**

**CEOCFO: *Who tends to try your service? Who has been looking at this juncture?***

**Mr. Hyde:** We have more than 1,800 companies who have signed up to use our service. Currently, the ones that are seeing the most rapid success are the ones that are oriented to outbound sales efforts. The key trait for us is to find companies who use sales development representatives (called SDRs). Most of our customers also use account based marketing and inbound marketing. LeadCrunch is a way to make sure they are reaching out to find the customers that are not looking for them.

**CEOCFO: *As not every organization does outbound sales as well as others, how are you able to evaluate your results knowing that there is a portion of it that depends on the ability of the salesperson?***

**Mr. Hyde:** There is nothing more valuable than a great sales person. Our big idea is to give sales and marketing professionals superhuman power by telling them where to focus their efforts. Of course, there are tremendous variations between good and bad sales people. Our technology allows the efficiency of the overall sales team to get better. We can take that C-grade sales person and move them to an A-level by making them more efficient. The A-level sales person also benefits from our system by spending more time closing and less time prospecting. It's important to note that we do not do any of the selling for our customers. We draw a clear line. The only thing we do is we generate high-precision B2B leads. We love for our customers to tell us how they use our leads and how they measure success. This enables us to improve our process to match theirs. Every time we deliver a lead to you, you have a chance to score thumbs up if it is good or thumbs down if it is bad. We monitor those votes very carefully to make sure that we are consistently getting better over time.

**CEOCFO: *What have you learned as people have started to use LeadCrunch? What is different today?***

**Mr. Hyde:** Everyday, our customers tell us how difficult and expensive it is to sell to small and mid-market companies. They value LeadCrunch because few solutions focus on reducing the costs of SMB sales and marketing. Rather, most vendors think “more is better” so they fill the top of the funnel with tons of garbage leads. This makes the process of converting a lead into a sale very inefficient. Sales people are desperate for solutions because they want to beat quota with the least effort and expense. This explains why so many of our customers really want us to succeed. Building LeadCrunch taught us that it is very difficult it is to get detailed data and insights on small businesses. We did not anticipate developing LeadCrunch to be as challenging as it was. Thankfully, we built a team comprised of sales and machine learning experts who are passionate and committed to solving very hard problems.

**CEOCFO: *Did you know from the start that you could do this? Was it just a matter of figuring out how or did you have doubts that it was doable at all?***

**Mr. Hyde:** No one has done what we have done before. So of course, we had doubts that it could be done. Our team has a lot of experience and expertise in developing and bringing new machine learning technologies to market. We knew that the time was right to experiment with new technologies that were originally developed for other purposes. It was a big, hairy and audacious goal to say that we were going to be able to change the cost of customer acquisition for small and medium sized businesses. This has historically been an underserved market for good reasons. It is expensive to sell to these companies and it is hard for these companies to compete against larger enterprises. We knew it would be really hard. So my co-founder and I focused on building an amazing team. We gained a lot of confidence when really fantastic engineers, scientists and sales experts wanted to join our team – even before we raised the first dollar of venture financing. For example, our chief scientist built a fraud detection algorithm that protects more than 2.5 billion credit cards from fraud. It is the most successful financial credit analysis tool in the world. The company that owned that algorithm was bought for \$800 million by FICO. He joined our team because he really got excited about what we were doing. We also gained confidence when we won a Lockheed-Martin contract by beating the two biggest names in artificial intelligence – Palantir Technologies and IBM Watson. That contract enabled us to get some deep insights on how targeting technology should work for the military. As most sales people know, finding the next customer is a lot like finding the next target. You need to know what makes a good target good and a bad target bad. Getting machines to help humans make better decisions sorting out good from bad is a really interesting thing to do.

**CEOCFO: *What do you do with the customer information over and above use it to match to your data?***

**Mr. Hyde:** Nothing. We never sell or share any customer information with anyone, ever. We take extensive measures to protect our customer data. Our company is built on trust.

**CEOCFO: *Is that a concern for your customers?***

**Mr. Hyde:** We make sure that they know that we will never use it outside of the intended purpose of finding great sales leads for them. More than 96% of all people that interact with our system share information with us. We go out of our way to encrypt everything. We never share our customers' information with anyone else. Your information is always your information. Except in rare cases, humans never see our customer data. It's encrypted and evaluated by machines – not people.

**CEOCFO: *Red Herring recognized LeadCrunch. How else have you been recognized in the technology community?***

**Mr. Hyde:** We have won Cool Company in San Diego two years in a row. We were named Best Startup by the EvoNexus Committee, where we are currently incubating. The State of California recognized us by sponsoring our participation in the StartR program, which is run by the California Institute for Innovation and Development. It is a program in California to create new jobs. Therefore, we have been recognized widely in our ecosystem as one of the most promising startups.

**CEOCFO: *What is next for LeadCrunch?***

**Mr. Hyde:** Scale. The next step for us is really to reach a very broad market and put our technology in the hands of hundreds of thousands of businesses that want to grow by selling to small and medium sized businesses.

**CEOCFO: *Are you fully funded and if so, for how long? Are you seeking partnerships or investments?***

**Mr. Hyde:** Yes. We closed our initial seed debt round in less than three weeks in 2015. We have a lead investor for our current seed equity round that we hope will close as quickly as the last round. AI is a hot space for investing right now. Unlike many AI companies, we are monomaniacal about solving a very specific customer problem and we have the revenues to prove it works. We are always eager to form win-win-win partnerships with other vendors that add value to our customers. In the end, we really only care about one thing: Delighting our customers.

**CEOCFO: *How is LeadCrunch a game changer?***

**Mr. Hyde:** We give any business, of any size, the ability to grow by augmenting human intelligence with artificial intelligence. We dramatically lower the costs of B2B customer acquisition while improving sales team performance and reducing sales cycles. We tell you who to call. We have answered the most vexing problem in sales and that is: "Who to call first?"

**CEOCFO: *What is the takeaway about LeadCrunch?***

**Mr. Hyde:** LeadCrunch makes sales and marketing for efficient. It lowers the costs of customer acquisition and shortens sales cycles by providing high-quality leads at the top of the funnel. LeadCrunch automatically finds you ideal customer

profile then generates predictive leads. It augments inbound marketing by solving the problem of finding customers who do not know you and have not found you. It allows you to control where you are growing, where you are marketing and making sales calls. There's a lot of wasted sales and marketing effort out there. We're going to change that.

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

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