

## **Nomis Solutions Taps Insiders For \$8M**

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By Scott Denne

Nomis Solutions Inc. has raised an \$8 million Series C from investors that are hoping Bob Phillips, one of the company's founders, can affect loan pricing at banks. The round was led by existing investor Bain Capital Ventures, which invested more than its pro rata share. Previous investors August Capital and Red Rock Ventures also participated in the round, said Dennis Stradford, president and chief executive of Nomis Solutions, adding that he was happy to let Bain Capital Ventures take a "lion's share" of the round because they provide an "entree to East Coast banks".

"We are trying to find places to invest where our active involvement can make a difference," said Jeff Schwartz, managing director at Bain Capital and member of the company's board of directors. "Given our knowledge of the financial services industry, we thought we could be helpful" in both finding customers and product development.

The pricing for the round was set by SVB Capital, which also contributed a small portion of equity to the round, Schwartz said. The post-money valuation of the company was a "significant increase" over the last round, Stradford said. That Series B round came in 2005, when Bain led an \$8 million Series B funding as a new investor and was joined by existing investors Red Rock Venture and August Capital.

Nomis Solutions provides price optimization software to banks and financial institutions. The software collects and analyzes customer data to help banks maximize the profits and volumes of their loan portfolios, Stradford said.

Company co-founder Phillips' previous venture, Talus Solutions, formerly Decision Focus Inc., helped pave the way for price optimization software in several industries, notably reservation based industries such as airlines, hotels and car rentals.

Although the company has signed up customers such as Washington Mutual Inc., Ford Motor Credit Co., and Royal Bank of Canada, investors agree that the biggest hurdle is adoption of the software.

"When talking with banks their reaction was, 'Gee, I can see that price optimization would be helpful and I would hate to be the second person to do that,'" said David Hornik a general partner at August Capital. But now the challenge is "getting them to say they'd like to be [among] the first."

"We have designed the product from the ground up for financial services. You can't use products designed for grocery stores and apply it to financial services," said Stradford.

Since the company's official founding in 2004, it has raised \$20 million in venture funding.

The company, which hopes to get to break-even next year, will use the money from this round to beef up its product development and customer support staff.

Nomis Solutions currently employs 45 people, but expects to be well over 60 by the end of the year.