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Sandy Serkes Mines Accuracy, Human Touch with Valora

Sandy Serkes is as accurate in targeting a business as her Valora Technologies is in encoding a document — and even more so.

Valora guarantees, money back, 98-percent accuracy for its automated, human-checked data extraction and coding service.

With revenues expected to double to \$8 million this year, 102 employees and clients that include the Department of Justice, it's safe to say that president and CEO Serkes is operating at 100 percent.

Which has always been her *modus operandi*.

Ever since she was a little girl, Serkes wanted to have her own business. Both her parents and grandparents did — “It was the thing you do.” And she knew the company would involve technology and be unusual. To her way of

thinking, it was a matter of putting the building blocks in place to get to the point of beginning the business and devising the technology.

Meeting her now-husband and Valora co-founder Aaron Goodisman at MIT while she was an undergrad at Sloan School of Management was coincidental but instrumental in continuing with the plan. “He also always thought he would have a company,” Serkes says.

Goodisman followed up his bachelor's with an MIT master's in computer science while Serkes went to Harvard Business School for her MBA. “MIT's big thing is learning to problem solve. Harvard's is setting a goal and creating a plan to achieve it. The two together are great,” she says.

Serkes went to work in computer telephony, speech recognition and text recognition. Goodisman was working in high-end application servers. “We were looking for a way to arc our experience toward each other,” she relates. “Five years ago, he was ready to leave the company where he was, and I was looking for a new opportunity.”

The couple officially formed Valora at the end of 2000, but was sifting through a number of different ideas for its technology throughout the year. On bed rest while pregnant with their second child, Serkes had plenty of time to answer such answer such questions as “where is the world going to be when I have this baby?”

One of the technologies the couple

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discussed centered on the ability to recognize key components in text — and a company was born. The name, Valora, officially denotes valor — “all the things you want in an early company, strength, bravery, integrity” — and unofficially combines their children's names, a family tradition Serkes says. There's a company with her name in it, and a company with her mom's name in it.

“We started specking out how the technology would look, work and who would use it,” Serkes says. “We formed Valora when my daughter was 5 months old and I was ready to go back to work. At the time we thought we'd be involved in the wireless space. We tripped into law, honestly.”

It was their patent attorney who showed them Valora's initial application. “At that point, the technology was able to recognize all sorts of things in a document and identify them automatically. That's the baseline for the service that we offer.” He took them to a conference room where attorneys and paralegals were keying in data from stacks of documents.

“They had been in there for three months and had just barely cut into the pile,” Serkes says. “We were given the text version of their documents. We came back the next day and said, ‘Here's your database.’ They went crazy.”

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Recognizing their opportunity, the cofounders called the four then on board at Valora into a room and worked up a list of 50 lawyers each to call. "By the 15th call we reconvened and went, 'Oh yeah, this is it.' So the market unfolded right in front of us."

When it came time to sign up, however, people were skeptical that Valora's technology, combined with the human touch, could deliver as promised, and so they came up with the money-back guarantee. At the time, other outsourcers were slowly doing the work manually, and, later, anyone with a technology was not boosting accuracy with human intervention.

"That set the tone of the company for us," Serkes says. "The guarantee speaks volumes. That's what got the attention of major law firms and the Department of Justice. We secured a few of those and there was no way you couldn't take us seriously."

Operating as a service business, Serkes points out, has meant a quicker cash flow, which in turn enabled the cofounders to survive on a round of angel money to fund initial development and a bridge round of convertible

debt to change from technology to service provider and ramp up personnel and tools.

A large customer wanting Valora to double in size in order to handle its workload paid to do so up front. By the end of 2004, the beginning of 2005, Valora was out of start-up mode



Sandy Serkes extracts the best out of technology and people with her data encoding service

and into established business status. "We're ready to double again," Serkes says, "but this time we're in a position to fund ourselves. This is how the business changes over time."

The transition also points to a valuable lesson learned that Serkes relates. "It's not about cash. It's about coming up with something people have to have. Once you find that, the cash will come. They will come to you. That's what we saw."

At the time of the interview, "should we double again?" was the topic du jour. Located in Waltham, the company is in its second location. And with a firm grip on the customer constancies of law firms and all

levels of government agencies, Valora is now branching into litigation support with plans "to blow that out in 2006" and beginning in corporate litigation readiness and Sarbanes-Oxley-related records keeping.

Where Serkes was once working "heads down" to firmly ground the company, she's now working "heads up," serving as the face in advancing to the next level. "We are going to be the dominant player," she says, "which brings on a whole new set of challenges."

Greater efficiency is one of those challenges, a constant that has already improved delivery from months to weeks to days. "We are efficiency freaks, constantly driving the level higher and higher, which means we'll be able to handle more volume and turn things around faster."

New technologies are in the works, and Serkes expects to add to the management team as Valora prepares for deepening its customer hold, broadening its markets and cementing its leader status. The goal, at this point, is a \$20 or \$30 million company.

"We have so many ideas," Serkes says. "The bane of any young company is not having enough hours in the day. 2006 feels like the year that there will be a little more time."

Attributes Of a Woman To Watch

Series by Helen Graves

What is it that makes a Woman to Watch?

The foresight to capitalize on the next frontier.

Gearing up for mobile music before it became household buzz, Bathsheba Malsheen is now on to retaining leadership status for backend technology provider Groove Mobile via follow-up innovation.

The ability to envision revolutionary technology.

Sandy Serkes co-founded **Valora Technologies** to provide the must-have to the have-nots. Today, she's leading the unique data encoding service into new markets while deepening the current customer hold.

The depth breadth to launch a new market.

Drawing on the foundation of her one-time Fortune 500 CEO track, Cheryl Clarkson is formulating a new, comprehensive approach to skin care with SkinHealth Centers' products and services.

The passion for responding to customer demands and trends. After 10 years of mapping HR strategy to clients' growth plans, Nancy Mobley is ready to do more—much more—for the emerging business market that's crying for help from Insight Performance.

The sense to see the potential of a seemingly simple device. Recognizing the big value in Sanostec's finger-tip size Sinus Cones, Louise MacDonald is putting her marketing expertise to work to grab mass media attention and infiltrate retail chain distribution.