

Dotcom survivor TradeCard extends its strategic reach

Company chairman Kurt Cavano has so much on his plate he has little time to attend 'last man standing' dinners

■ Bien Perez

It became the vogue during the dotcom meltdown for Internet executives to meet for drinks, swap war stories and offer mutual support. For many, the obvious agenda was to network and pick up leads for job vacancies.

TradeCard chairman and chief executive Kurt Cavano names a popular monthly event still going called "last man standing", which invites only chief executives of Internet firms.

These private dinners bring together a mix of people whose companies are either extremely successful, still surviving, pretending all is fine or have recently gone under.

"The crowd gets smaller and smaller every month," Mr Cavano said. "It's too depressing to have dinner and keep track of what's going on."

A survivor of the Internet boom-and-bust era, Mr Cavano admits that the Internet bandwagon made it easier for TradeCard to get the attention of investors and the media.

Formed in New York in 1999, TradeCard has evolved from a stand-alone software program into a global e-commerce network that enables buyers and sellers to conduct trade transactions securely over the Internet.

It was originally conceived by the non-profit World Trade Centers Association, which wanted to boost international trade by bringing importers, exporters and service providers together.

The association selected Mr Cavano, then vice-president of corporate banking practice at American Management Systems (AMS), to spearhead the project.

When it was determined that TradeCard should become an independent business, majority financier Warburg Pincus asked him to lead the company.

"Looking back to those heady days, I thought we could change the world overnight," Mr Cavano said.

He said businesses worldwide spent an average of US\$420 billion a year on shipping and receiving products, and many used labour-intensive processes that had been in place for more than 400 years.

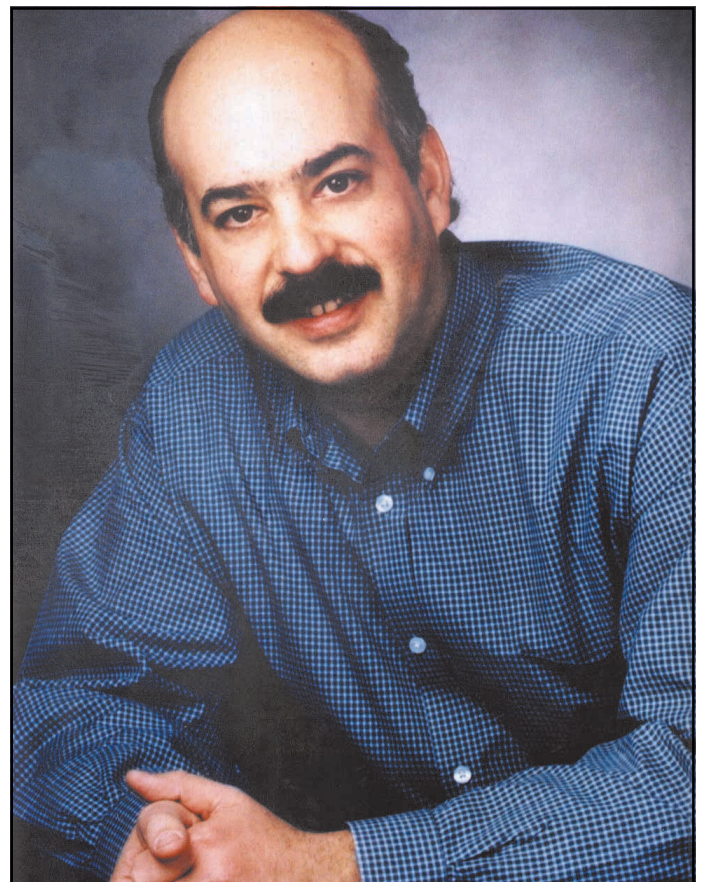
"TradeCard's aim is to help businesses improve purchasing and delivery efficiency via the Internet, which in turn will boost their productivity and returns," Mr Cavano said.

"We help businesses cut costs by increasing efficiencies, enabling them to receive an assurance of payment from overseas buyers and expand the global reach of their operations."

TradeCard made a media splash in March 2000 when it launched its secure online alternative to paper-based trade transactions in Hong Kong - following investments from Softbank Finance Group, Mitsubishi and Mitsui.

The government-backed Tradelink and specialist trade group Global Sources were encouraged to register for the service.

"Although we started to make a difference with companies and filled a major gap in practical e-commerce business-to-business activities for banks, the Internet boom progressed and then went bust to such an extent that people lost track of what we were achieving," Mr Cavano said.



TradeCard chairman and chief executive Kurt Cavano says the company expects to process online transactions worth about US\$2.2 billion this year.

"Once we got through that, once people saw who were the industry's survivors, they also found that our business strategy made sense for them."

He said the turning point for TradeCard came last October when it received an additional US\$10 million in funding from Warburg Pincus, which helped the company secure its initial financing of US\$70 million.

"It gave us more confidence that the service we are providing is for the long haul," Mr Cavano said.

The company had become a formidable Web-based provider of supply chain services, he said.

This year, it expects to process online transactions worth about US\$2.2 billion and increase its

customer base to about 1,000 from about 600 last year.

It also expects to set up a mainland office in Shenzhen.

TradeCard's network of partners has grown to include more than 100 logistics companies, 16 financial institutions, the world's top three inspection services (Bureau Veritas, Inspectorate and SGS), two of the leading providers of export credit insurance (Coface and GE Commercial Services), the largest broker of cargo insurance (Marsh & McLennan) and JP Morgan Chase for funds transfer and foreign exchange.

From the fast pace of these developments, Mr Cavano said he would be inclined to turn down another invitation to a "last man standing" dinner.

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