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## Best Practices | With venture capital, KCK-based digital coupon company grows

By RUTH BAUM BIGUS  
Special to the Star

**Company:** Zavers is a digital promotions and information management company that links online and mobile advertising with in-store purchases in real time.

The system allows advertisers to track redemption data. Zavers works with 400 stores, primarily in the Northeast, and represents several product manufacturers, including Kimberly-Clark, Unilever and Tropicana.

**Address:** 2812 W. 47th Ave., Kansas City, Kan.

**Phone:** 913-529-8460

**Web site:** [www.zavers.com](http://www.zavers.com)

**Employees:** 25

**Ownership/management:** Private equity firms own Zavers. The management team includes Thad Langford, chief executive officer, and Brian Brinkley, chief technology officer.

**Challenge:** Obtaining financing to fund expansion.

**Background:** Zavers was founded in 2006 with an initial plan to digitize what Langford called one of the last analog markets. With seed money from October Capital of Kansas City, a family investment vehicle for Ron and Lance LeMay, Zavers created a prototype product to digitize grocery coupons.

“That got us up and running,” said Brinkley. “We proved we could get it working and did research.”

Zavers executives quickly realized they also could bring in revenue from advertisers, and the business plan was revised, but to get to this next level, Zavers needed more money — hundreds of thousands of dollars — to build technology.

“It was too much money for us to fund out of our own unsecured loan with interest rates,” Brinkley said. “We decided to look for venture capitalists that would be willing to take some of the risk.”

**Actions:** In 2007, Zavers turned to October Capital for a second round of financing and assistance in finding new investors. Presentations were made in small, private meetings and to larger groups at investment conferences. This brought in institutional and individual investors.

By 2008, Zavers needed another capital infusion, said Langford. The men returned to the second-round funders for help in “focusing locally and in the Midwest.”

With the additional money, six investors (based on the size of their investments) were put on the Zavers board. Five others were granted board-observer status, which allowed them to attend and participate in board meetings but not vote.

**Results:** By going to outside venture-capital investors, Zavers has grown quickly.

“We’ve been able to get there in a much faster manner,” Langford said. “Our investors provided the capital needed to quickly build and scale a best-in-class technology that provides real, measurable benefits to consumers, retail partners such as A&P and Pathmark, and manufacturers like Unilever and Kimberly-Clark.”

Brinkley and Langford said that bringing in venture-capital funders has helped with other connections.

“Our investors have been instrumental in opening doors throughout the country in the retailer, advertiser and partner communities,” Langford said. “We continue to use October Capital as a true sounding board for key strategic decisions and opportunities facing the company.”

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