



William J. Ruckelshaus

EDITORS' NOTE William Ruckelshaus assumed his current post in November 2010 after serving as a board member since May 2007. Prior to joining the company, Ruckelshaus served as Chief Financial Officer of Audience Science, Inc. Before this, he was Senior Vice President of Corporate Development for Expedia, Inc. Ruckelshaus came to Expedia from Credit Suisse First Boston Technology Group, where he was a director of mergers & acquisitions focusing on services, software, and Internet verticals. Ruckelshaus is a graduate of Princeton University and the University of Virginia Darden School of Business.

COMPANY BRIEF Blucora, Inc. (www.blucora.com), named one of FORTUNE® Magazine's 100 Fastest-Growing Companies in 2013, owns a portfolio of leading Internet businesses. InfoSpace provides online search and monetization solutions to a network of more than 100 partners globally. TaxACT provides digital do-it-yourself (DIY) tax preparation services to individual consumers and professional preparers. Monoprice is an online provider of self-branded consumer electronics and accessories for both consumers and businesses. The Blucora team brings decades of experience operating and investing in digitally-enabled businesses.

What is Blucora?

Blucora is an exciting story of innovation, flexibility, and growth. We're a public company in Bellevue, Washington, a thriving technology center with three operating businesses: InfoSpace, TaxACT, and Monoprice – all businesses that live on the Internet.

InfoSpace participates in the online advertising market broadly, and search advertising specifically. We serve as a channel partner with the major search engines, distributing their search utility and search content to a wide network of users.

TaxACT, which we acquired in early 2012, is experiencing excellent new penetration and strong year-over-year growth in the online DIY tax prep market. From January through April, TaxACT helps more than five million customers file their taxes. They bring a great product at a competitive

Growing Digital Brands

An Interview with William J. Ruckelshaus,
President and Chief Executive Officer, Blucora

price, the cornerstone of which is a free Federal offering, where anybody who comes to TaxACT can file their Federal taxes for free.

The latest addition to the story is a dedicated, consumer-driven e-commerce company called Monoprice, which sells computer accessories and consumer electronics directly through its Web site, monoprice.com. All of their products are Monoprice branded, and they have a highly differentiated model of sourcing directly from manufacturers that provides a very efficient cost structure, which they in turn use to bring products to consumers at a fantastic price.

Those businesses are growing in their unique, individual markets and doing a great job at building brand equity. At the Blucora level, we manage the three businesses and think in partnership with each of the management teams about how to invest to grow even faster.

Will growth come from bringing on new businesses as well as from these units?

We're focused on sourcing growth and value creation through operating and growing all three of the businesses we own. At the same time, we are going to be cash-generative – building excess cash over time to use in a disciplined way to add to the story, be it bolstering any one of our businesses by way of acquisition or adding a new business.

In terms of new business, is there consistency in the online focus?

We have defined it as digital markets, which we see as broader than merely thinking about online. The world is rapidly evolving into what once seemed a dream of having access to anything, anywhere, and at any time. With your phone or tablet, you're carrying the real future of commerce in your pocket or bag, and we're focusing on deploying our capital and expertise in ways that will leverage this.

What we have in addition to the capital is domain expertise and decades-plus operating experience in online markets across a number of different business models over the years for Blucora.

The reason we can be successful is precisely because of that understanding and investment in areas that we know, and where we're capable of assessing strong teams and creating strong models. Part of the operating philosophy going forward is to provide continuity for the teams we like and putting resources behind them.

Do you tie brand awareness for the individual units with the Blucora name?

The InfoSpace, TaxACT, and Monoprice brand names are relevant to the customers they

are attracting. It's the strength of those relationships that is tied up in why we think they're valuable and interesting businesses in the first place.

Blucora does not intend to get in the way of those relationships. The branding we do is within the investment community, as well as with prospective employees in terms of recruitment.

What is your strategy for attracting the talent you need?

There is a scarcity of top talent in the digital space. Every one of our companies is composed in part of software developers and, if there is one area in a tech company where you're always competing against other firms, it's in software development. So much of what each of our businesses is trying to do is around the user experience and innovating on the product front, and increasingly doing that in the mobile environment.

We have to go the extra mile when competing with the big tech players; it's not easy, but we are indeed succeeding. Our overall team is at 450 employees at this point, across Seattle, outside of L.A., and in Cedar Rapids. Geographic diversity helps. We also place a great deal of value in each company's unique culture. In fact, we leave each company's culture intact to ensure that it continues to advance with its mission and values in sync.

Why is community engagement so important to Blucora?

For any company looking to improve the morale of its employees, it's critical for employees to take some ownership around how their organization interacts with the broader community.

We give back in part through volunteer time; through things like matching donations, in the case where employees want to make gifts; it's also in part through directly contributing to nonprofit causes that redeem and reflect the values of the company.

Has this role been what you expected?

I feel like we're ahead of schedule, both in establishing Blucora and what it is, and in seeing our companies advance on their respective paths. The blueprint we had in place in 2010 is what we're executing. Because it involved acquisitions, there was some degree of uncertainty. But I've been pleased with the pace of our acquisition activity, and it's absolutely contributing to the transformation we're undergoing.

Blucora will be known to investors as the source of innovation and expertise in a thriving digital world. Wherever we decide to go, we plan to be way ahead of the pack. ●