RetailCapital Secures Investment from Flexpoint Ford; Introduces New CEO and #35 Ranking on Inc. 500/5000

FinTech Veteran Glenn Goldman Named Chief Executive Officer to Lead Next Generation Provider of Capital to Small Businesses

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TROY, Mich.--(BUSINESS WIRE)--RetailCapital, a data and analytics company that makes financing available to a broad range of small and medium size businesses ("SMBs"), has secured a new round of investment from Flexpoint Ford, LLC, a private equity firm focused on the financial services and healthcare sectors. With over $1 billion under management, Flexpoint Ford typically invests between $30 million and $150 million in its portfolio companies.

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Coinciding with the investment, RetailCapital has been ranked #35 on the Inc. 500/5000 list of fastest growing companies in America and it named financial technology veteran Glenn Goldman as its new CEO to lead the next phase of its growth. For more than 12 years, Goldman led Capital Access Network (now CAN Capital) and grew it into the largest non-bank provider of capital to small businesses in the United States.

For the past year, as Entrepreneur in Residence at Flexpoint Ford, Goldman has studied the global market for small business alternative finance, as well as the optimal role for big data and predictive analytics, to develop a winning formula for his next venture. "There has been a great deal of business model, technology and customer experience innovation delivered by existing non-bank providers of capital to small businesses and a lot for us as an industry to be proud of. But this is really only the beginning," Goldman said.

"On the whole, traditional financial institutions provide an uncertain and slow user experience to the very narrow segment of small business credit profiles that they serve. Peer-to-peer and online lenders have solved the speed problem and can deliver capital in hours rather than months, but their product lines are limited and often come at a cost that doesn't align with the needs of small business owners who fall just short of qualifying for financing from traditional institutions. Also, only a precious few of these non-bank providers have achieved scale and profitability," Goldman said.

"With the limitations on product and target market, there is significant opportunity to materially improve cost of acquisition and customer lifetime value. Data science and a nimble technology platform make delivery across these verticals possible. We searched for and found in RetailCapital, and its people, a solid foundation upon which to pivot and execute on our vision. With a culture that is based on best-in-class execution, and a distribution strategy that generates 25 percent of its funding through direct marketing, our marketplace model will thrive."

Under Goldman's leadership, RetailCapital plans to expand into an additional location in New York City and build out a number of key functions including data science, risk, marketing and product development, technology and online customer acquisition and fulfillment. The company's existing operational platform in Michigan will continue to grow to support the execution of this strategy.

"We have been studying the FinTech space for the past few years awaiting an attractive entry point," said Steven L. Begleiter, managing director at Flexpoint Ford. "Developing the investment thesis along with Glenn, and being patient but moving quickly when we found RetailCapital, is an entry strategy we are well positioned to execute."

"We believe that the ongoing disruption in the delivery of traditional financial services is a secular trend with significant runway. RetailCapital's strong unit economics coupled with Glenn's leadership will enable the Company to continue its rapid growth and value creation," said Daniel Edelman, vice president at Flexpoint Ford.

"Partnering with Flexpoint Ford and bringing an accomplished industry veteran like Glenn on board will help rocket RetailCapital into its next phase of growth," said RetailCapital Co-Founder Ryan Rosett. "We've built an attractive business over the past four years but our ambition is to do much more – and that means building out a uniquely powerful business model for our customers, sales partners, shareholders and employees. Today's small business owners find that over their life cycle, they must go through multiple channels to fulfill their capital needs. RetailCapital's business model will be breaking the mold by serving a broader spectrum of small businesses through a wider range of products and pricing – meeting their needs throughout their life cycles. This is going to be a big win for small businesses."

About RetailCapital

RetailCapital is an emerging marketplace platform that leverages data science and analytics to improve the speed, cost and choices of capital available to small businesses. The company is dedicated to creating a better user experience and providing products that bring a high lifetime value to the businesses it serves. Its innovative technology platform, which considers a business's total health, has provided short-term financing to thousands of small businesses around the United States. RetailCapital also has partnership programs for independent sales organizations, organizations that serve small businesses, banks and franchises. For more information, visit http://www.retailcapital.com, and follow RetailCapital on Twitter @retail_capital.

About Flexpoint Ford

Flexpoint Ford, LLC is a private equity firm dedicated to the healthcare and financial services sectors. Flexpoint Ford seeks to build relationships with executives and companies who look for Flexpoint Ford to be a value-added partner. Flexpoint Ford manages over $1 billion in committed capital on behalf of its limited partners. Flexpoint Ford typically invests between $30 million and $150 million in its portfolio companies.

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