

SPECIAL REPORT **FASTEST GROWING PRIVATE COMPANIES**

From left: Doug Walker, Jason Walker, Adam Walker, Zac Brandenburg



RINGO H.W. CHIU/LABJ

HYDRA LLC *Beverly Hills*

Online advertising network based on a “cost-per-action” model that allows advertisers to pay only for verified sales or customer contact information

Founded: 2003

Growth Rate: 333% (No. 3 last year)

2007 Revenue: \$69.3 million

INTERVIEWED: Adam Walker,
chief strategy officer

UPDATE: (Profiled last year)

We keep growing despite the economy because we have a strong sales message. We tell

advertisers that we can run an ad in front of hundreds of millions of consumers, and they only pay for the customers they get.

Also, this year we developed compliance teams and software that monitor campaigns to make sure the ads appear where they should. It provides a degree of safety for advertisers.

WHAT'S NEXT: We're investing in technology to build a new interface for (publishers) so they can easily find the best-performing ads. Also, we'll open a creative advertising service. We never wanted to become an ad agency, but all along provided consulting to our clients, and we found it's a lot faster to make the ads ourselves.

EARLY DAYS/FINANCING: Zac Brandenburg had done well at another Internet venture and founded the company in July 2003 for under \$100,000. Actually, two companies came together. We had about nine businesses going between us, but we put our heads together and decided to focus on building a performance-based ad network. We were profitable within a few months.

BIG BREAK: In online advertising, there has been a migration away from paying for impressions toward paying for customer acquisitions. That has worked in our favor.

BIGGEST CHALLENGE: Managing growth. We had a high-touch way of communicating with advertisers and Web publishers. Now we have to manage higher volumes of business but still maintain a high level of personal, human service. As you become bigger, you must resist bureaucracy and red tape. We went from three people at launch to 70 today. The growth also involved technology upgrades. Some months we deliver 2 million new customers to 300-plus advertisers. The databases behind those transactions can't mess up.

SAGE ADVICE: Make sure you provide an added value. A lot of people on the Internet try to buy low-priced ad inventory and sell it at a higher price. They're going under now. Unless you add value to the process, you shouldn't be in business.