

2009 Young Entrepreneur: Daren Cotter

young
entrepreneurs

Daren Cotter

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STAFF REPORTER

Daren Cotter's interest in entrepreneurship began in high school, but it was in his Mankato college dorm room where, fueled by high-speed Internet and a love for commerce, he built the foundation of CotterWeb Enterprises, Inc. The 28-year-old's online-loyalty marketing firm now has revenue of \$17 million.

Cotter's interest in technology developed in the 1990s, when he developed his own software and sold it to interested buyers on his personal Web site. Cotter pursued a bachelor's degree in computer science at Minnesota State University, Mankato, and began perusing the Internet and visiting online marketing Web sites where consumers were paid to visit. In the end, he came to the conclusion that he could create something better, for both the user and the advertiser.

"On the advertisers' side, existing loyalty programs paid for face time, getting an ad in front of a consumer. ... My model is a system where advertisers pay only for results," Cotter said. These results come in the form of some kind of transaction, be it a user completing a survey or signing up for a membership.



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CotterWeb gives out cash rewards for viewing web pages and doing surveys.

The consumer benefits from a more transparent method, Cotter said. Other online marketing programs awarded consumers points. Cotter's system awards consumers with actual cash into their online accounts.

By the time Cotter graduated from Mankato in 2004, he was already taking in \$2 million using his loyalty site, InboxDollars.com. Since then, Cotter moved his business from his dorm room to a spacious office in Mendota Heights to accommodate a growing workforce. Last year, his company's revenue grew from \$12.4 million to \$17.3 million. Cotter didn't say how much he expects his firm to expand next year, but he is certain their business model will foster rapid growth.

COTTERWEB ENTERPRISES INC.

CEO and Founder: **Daren Cotter**
City: **Mendota Heights**
Business: **Online marketing**
Founded: **2004**
Employees: **30**
2008 Revenue: **\$17.3 million**
Web: **cotterweb.net**

DAREN COTTER

Age: **28**
Education: **Minnesota State University, Mankato**
Major: **Computer Science**

But starting a business from scratch wasn't easy for Cotter, who said he ran into repeated snags during his first few years in business. "I had very little business experience and was running it by myself," he said. "And certainly being young and looking young didn't help."

Jack Johnson, chief operating officer at CotterWeb, said he remembers the first time he met Cotter in 2005. "I thought wow, I feel old," Johnson said. Johnson first met Cotter when Cotter's business was not much more than a few friends and relatives working out of Cotter's home.

"I felt like he knew so much of what I didn't know," Johnson said. "He has incredible knowledge and is very mature."

Despite consistent growth in revenue over the years, Cotter said he is the most proud of the fact that his hobby business could go on to provide the firm's more than 30 employees with work, especially in a market where not everyone can boast a steady job. Cotter also feels his performance-based business is relatively shielded from the hurting economy. "With CotterWeb, advertisers are paying for exactly what they're getting — results."

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