

## The Thinker

**F**inancial services isn't exactly brain surgery. But Dr. Mark Allen is hoping to make a killing rewiring some of the industry's thought processes.

After receiving a medical degree from the University of California at Los Angeles, Allen last year founded Corticon Technologies, a software company that aims to apply principles of artificial intelligence to finance and other data-intensive businesses. Explains Allen, "We need to make faster and better decisions in complex business environments that suffer from information overload."

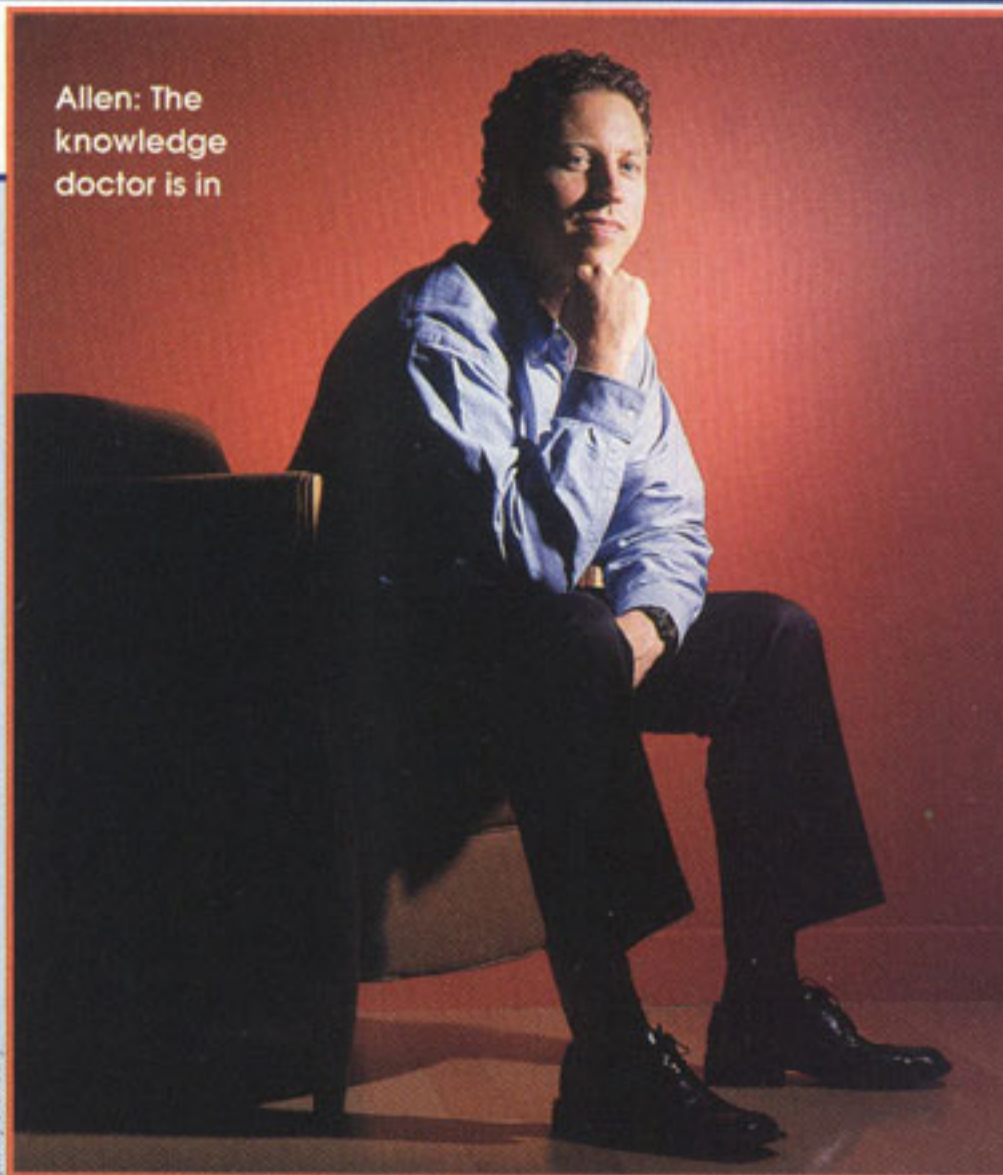
Artificial intelligence is controversial in the business world; attempts to commercialize it have resulted in more misses than hits. But Allen is selling a modified approach that he calls knowledge automation, which seeks a balance between human and machine intelligence.

Allen, 32, got the itch at the UCLA Medical Center in the late 1990s while working on systems to support and speed emergency-room physicians' decision making. The technology seemed promising, but progress was slow, and Allen wanted to pursue commercial prospects elsewhere.

After more than a year of intense systems engineering work, San Mateo, California-based Corticon last April raised \$4.4 million in a funding round led by American Century Investments' venture capital arm and Securitas Capital, which is owned by Swiss Reinsurance Co. and Credit Suisse Group. These strategic investors saw potential applications of the technology in money management and insurance claims processing. American Century, for example, is working with Corticon on a portfolio modeling and stock selection system. Strategists set rules and then let the program go to work. Though the overseers can jump back in at any time and make changes, the system, says Allen, "frees the people up to innovate, create new knowledge and find still better ways of doing things."

STW Fixed Income Management of Santa Barbara, California,

Allen: The knowledge doctor is in



Jeffrey Newbury

went live last month with Corticon technology for compliance management. STW, which has \$8 billion under management, says that the system so effectively keeps up with the pace and volatility of transactions that it virtually eliminates violations of allocation rules. And managers can tweak their rules on the fly, without calling and waiting on the technology department. "The key is that it is fully integrated in our system," says STW chief information officer Tony Plasil. "It's not a stand-alone compliance engine, which is always subject to delays."

Allen says that the compliance automation can lower STW's costs by \$900,000 a year. Not bad medicine. — J.K.