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Issue: November 5, 2018

**CEOCFO Magazine**

**Michael Sterl, CEO of Cloud Optik discusses their proprietary data platform SmartProfile that provides Real Subscriber Insights enabling Service Providers and Channel Partners to focus on Customer Retention, Cross Sell, Reducing Churn and Increasing Revenues**

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**CEOCFO Magazine**

**CEOCFO: *Mr. Sterl, what is Cloud Optik?***

**Mr. Sterl:** Introducing Cloud Optik. Cloud Optik's SmartProfile is a proprietary data platform that brings you real subscriber insight. Our data-driven guidance helps you zero in on your best customers and figure out what other products and services they may need, and which they are most likely to buy.

**CEOCFO: *How does the platform work?***

**Mr. Sterl:** Cloud Optik connects the API to services providers UC Platform (Broadsoft, Metaswitch, Nesapiens, coming soon Kandy.io) Think of Vonage, think of Verizon; anyone on the underlying technology of BroadSoft or MetaSwitch. We connected the platform, we extract the customer data in regards to what you have sold them, what feature functionality have been allocated to them and then we leverage our team to build data models to then provide actual insight. Those insights include how to go back in and educate your customer base, focused on customer retention, as well as how to go back and up sell/cross sell, focused on customer growth. Then the idea is focused on growth and reducing churn and increasing revenue. There are a couple of different ways that companies do that today. If we can start with the data that is already in the platform that is being used or not used today by most service providers, then we can leverage that and correlate that with your CRM and with your billing. The idea is that we get a greater or deeper view into what your customers have and how you can actually help them at the end of the day.

**CEOCFO: *Would you give us a couple of examples of what you are able to look at and how you are able to present it so that a provider can easily utilize the information?***

**Mr. Sterl:** The easy example for most of the service providers would be they have a client service/customer success or account management team. That team is designated to talk to existing customers and really help existing customers to understand what they have today. We can start at auto attendants, hunt groups and call center functionality. Then we can dig deeper into the customer features, so think of mobile integration, simultaneous ring in mobile devices, call forwarding and speed dials. The idea is that all of the user configuration details (features) are somewhere in the switch and just very difficult for an account manager to be able to look up and have a true understanding of what is going on. Therefore, if we can connect to the platform and provide the actionable insights to the account manager, the conversation is more proactive with the customer. "Mr. Customer, I see you have x number of hunt groups or these features but aren't using them, let me educate you on why they can help you business. Maybe we should talk about call center functionality to make your business run a little bit more efficient than it is today," or "I see you purchased this premium bundle. It has these features, but less than two percent of those features are actually being used. Let us work on enhancing customer

adoption when it comes to the features.” The idea is to train and educate the end customer based on what we have already purchased from the service provider. Once we have done that we can then give this to maybe the same team or a different team and maybe it is upsell/cross sell. “I see you have a Polycom™ phone today. It is model X. You could use a Plantronics or Jabra headset that can connect to that device,” or “I see you have simultaneous ring, did you know that we sell a soft client for your mobile phone or a soft client for your desktop.” The idea is to educate on the base line of “What have we purchased and do we really understand what we purchased (remember, sales pushed us on Business Outcomes) and then how do we go upsell/cross sell.” Then the next layer of that is if we can identify the customer base industry, number of employees, what features they have purchased, what features they are using, we can then provide the intelligence to marketing and marketing can then turn around and be more specific or more targeted with their messaging. for both sales and marketing. We know when customer A buys widget B, then they should go buy widget C, D, E and we can put that into an overall strategy. We can automate that with sales and ultimately speed up the sales cycle. We can automate that with the marketing platform. Then idea is we are just more proactive instead of reactive with our customer base and trying to create or enable stickiness for them we enhance the overall customer lifetime value.

**“If we can simplify the way that customers purchase technology and we can provide them roadmap and milestones in what they should be purchasing based on their customer profile, I think what we have at the end of the day is a better customer experience, which for us is really the target for what we are going after; how do we identify, how do we educate, how do we uncover new insights and continue to develop our relationship with the business customer.”- Michael Sterl**

**CEOCFO: Are you able to help your customer in how to present the information, so that it does not seem just like a sales pitch to their customer?**

**Mr. Sterl:** It is a good question. Simple answer, Yes. Everyone has data. Step one is how do we look at the data, gather the data and put it into a useful view, so what are those actionable insights. And then what we find from a consulting standpoint is that we then can help the customer, the service provider in this example, to better define what those next steps are. Therefore, that tier point is not just a sales pitch every phone call. If we have the information based on our customers and we can first educate them, then it is how do we educate them both on content for marketing? Then how do we educate them on actual calls from the sales team, then we can put that in writing based how to upsell/cross sell, again from marketing and from sales. Each client is set up a little bit different based on the internal resources. However, the idea is to take the data from our side and then work with the customer, the service provider, and align it based on the department that is actually reviewing it. That is because the reality is that we have to understand or we have to review in bite sized chunks. What we generally like to tell our customers is that you have to do it as a crawl/walk/run. You are not doing this today or you are doing this in more of a reactive mode. Through support, let us help you identify the useful information that we agreed to between both parties. Then we can lay out a strategy with both sales and marketing, in this example, to then go after the customers and help the customers based on what the data tells us.

**CEOCFO: If you see from the data things that the company is doing wrong, approaches they are taking that are turning people off, are you able to share that to show them? Does it step over a boundary somehow?**

**Mr. Sterl:** To your question, the most common training that we see would be that end customers are over provisioned based on what they are buying from the service provider. A simple example is, I buy a premium service bundle or maybe it is a two tier service, premium and basic, just for the example. What we find is that everyone is selling this “all you can eat” service, a premium level service and it is twenty five dollars. I am making up the dollar amount for the conversation. The basic is less features, but it is twenty dollars. Sales does not really want to mess around with really getting into to many features. It is easier for them to say, “Buy everything for twenty five dollars,” and move on. It is a faster sales cycle for them. However, the reality is the customer purchased twenty five licenses from you and of the twenty five licenses really thirteen of them should be just basic license. Therefore, what we try to look at is license optimization based on the customer. There are two ways you can look at it. You can say, “We over provisioned and we are at risk for revenue churn, because we should really be selling our customers a lower priced bundle.” That is one way to look at it. Or you could say that we sold them a higher license, a premium license and what we should be doing is working on educating our customers on how to use the additional functionality. The way that the service providers generally look at this is that you have exposed us on revenue risk, churn, but the reality is that if you are not going to be proactive and educate the customers then you are doing that to yourself. However, if we can actually highlight based off license optimization and utilization then the reality is that we can actually provide a better customer experience. Our framework is that you acquire a customer, you grow a customer and you nurture a customer. Grow and nurture tend to be sitting there ready, because you have already the future of what their technology or the widget can do for them. Now we can expose it and flag it knowing that, and have the customer put a strategy around this and now you can truly help your customers and that is not

a bad thing. It is not bad to identify customers that are not using the full experience that you have sold them. Therefore, let us at least highlight it and then we can put a plan of attack instead of being reactive when the next service provider comes in and offers the same premium bundle for twenty dollars. Now they are five cheaper on a twenty dollar bundle and you lose the customer all together.

**CEOCFO: You recently announced SmartProfile, List and Enrich. Would you tell us about those two products and how they fit in to SmartProfile in general?**

**Mr. Sterl:** SmartProfile in general was our customer data intelligence and what we have and they are doing based on what we sold them. We found that many service providers have what we call dirty data within their CRM or within their billing platform. Dirty data is generally just inaccurate or missing information overall. With SmartProfile Enrich the idea is that we can take your customer information and then we can append missing data points around your customer that you have or even clean it up in some instances (maybe update vertical info or revenue or number of employees). The idea is to give you a better view, a cleaner profile of who you are selling your service to today to build a true customer profile. We can clean up your information; we can clean up the likes of DiscoverOrg, Zoom or Data.com. The idea is there is just missing data and we can enrich/append that information. We can enrich that information for is all the way down to the technology level. The idea is you may have sold them Hosted PBX or internet, but what if we knew that they were this close to a fiber connection for an updated internet connection or what if we knew they were on a specific email platform that we can integrate to. Therefore, we tend to backfill a lot of that. The idea then is that now you know who you are good at selling your services to, so let us now go create a prospect list to go after. That is where SmartProfile List then comes into play/ SmartProfile List says, "Tell me the attributes of your ideal customer, enter them into our platform and then we will provide you a list of businesses that you can go after in regards to either selling your widget or selling an overall solution.

**CEOCFO: What is the understanding in your potential customer base about the need to expand, the need to take advantage of what Cloud Optik offers?**

**Mr. Sterl:** It is funny, because I was just finishing reading Tiffani Bova's book "Growth IQ" and two of the paths that she talks about in regards to businesses in general to get smarter is one, how to we focus on customer experience so it will inspire additional purchases, or two, customer based penetration where we can sell more existing products to existing customers. That was the initial build and idea around what Cloud Optik had to offer from a platform. For us that is the starting point that many service providers, telecom service providers in the market, whether it is Vonage, it is BroadSoft based providers, MetaSwitch based providers, Evolve IT, MetTel, Bullseye, Momentum; we are just naming a few that are out there, it is built around helping them get smarter around what they have been doing. Instead of just a spot sell, sell to the customer and move on, we can now do a spot cell, we can now implement Cloud Optik and then the idea is to now be proactive and enhance that customer experience, "Help me understand what I am buying," and then in the long term help them go sell more widgets into their customers. Instead of doing it with a guess or some sort of assumption, we can now leverage data to make those educated guesses and we can move those into processes that both sales and marketing better understand. At the end of the day, if we can look at information and we can use the information to then go sell, we should ideally have better results or higher results and we should, at the end of the day, build increased revenue for the service providers in a much more streamlined way. For us, it is fifteen years of seeing the gap within the telecom industry. It is taking what technology has to offer and leveraging that in a way that historically just has not been used with other telecom or cloud service providers.

**CEOCFO: Is it a mind shift in thinking of the providers? Is it a growing realization that there has to be something more? How do you gain and keep the interest?**

**Mr. Sterl:** It is certainly a mind shift. What we find in most service providers that we talk to, the data strategy or business intelligence strategy is not generally pushed from the top down and that is where there is a big disconnect. If the C level can push the business intelligence/data strategy down then we can assign specific stakeholders and key folk internally to manage that, then leveraging Cloud Optik becomes much easier. If it is an employee that is kind of rogue and wants and enjoys the big data idea and starts down the path of working with us and there not really a strategy around it, that tends to run in place or it goes stale, because there is not a true initiative behind it. However, with all service providers, all being those that we are working with; what we see is that they tend to understand that there needs to be a shift. The challenge is that they do not fully understand it and based off of our education process, based off of our consulting process, we are starting to help them design that strategy to then implement the platform to then help them to identify and see results much faster.

**CEOCFO: Are you able to get an audience with the right people at any given company?**

**Mr. Sterl:** It is a good question. We started with the engineering/operational side of the house. Then we worked into product. What we have found is that is not the right audience. In fact, that is the audience that does not generally care, because they do not see it as a revenue, they are not tied to revenue per se. Now, there may be different areas that they do have revenue generating processes and steps that they need to take, but the reality is that they did not truly understand that. Once we have identified the sales side of the house and the client services or that account management base; that has been the easiest conversation, because they are struggling today. They do not have clean information, they do not have clean access to the data and even those that have hired an analyst of some kind, they are manipulating spreadsheets internally. Therefore, the overall business structure is much easier from the sales side. That has been the easier “got to market.” How we are getting in front of them truly has been the relationships that we have had in the market. We have fifteen years in the market. We know many of the players that are either in higher level positions, both on the sales of client service side of the house and so based off of education, based off of demo and based off of just people we know and networking in general, we have been able to get in front of the right people. Then from there we operate through proof of concept and then move that into some sort of agreement moving forward.

**CEOCFO:** *What is next? If we speak a year from now what should we expect from Cloud Optik?*

**Mr. Sterl:** We are going to continue to enhance the platform to make it easier for service providers to better understand their business customers. You are going to see integration into the G suite platform. You are going to see an integration into Microsoft 365. Then you will most likely see an integration into Okta, the identity management platform. The idea is we are tying those platforms into what we are already going along with enhancing our already existing connection to IBM Watson. The idea is that we should be able to get smarter with recommendations on “If a customer has widget A, what do we do with widget B and C.” Therefore, you are going to see a big push into machine learning and then you are going to see, as I mentioned, the layer of integration go one step deeper and that is going to be into the email platform in order to enhance the overall data and insights that we can provide our customers.

**CEOCFO:** *Why pay attention to Cloud Optik?*

**Mr. Sterl:** Data is what is going to allow us to be smarter, faster and more agile when it comes to delivering services to our customers. The idea is that customers are becoming smarter on their own, they are not looking at us as true technology advisors from a service provider standpoint and there is a lot of noise in the market based on technology in general. Therefore for us, if we can simplify the way that customers purchase technology and we can provide them roadmap and milestones in what they should be purchasing based on their customer profile, I think what we have at the end of the day is a better customer experience, which for us is really the target for what we are going after; how do we identify, how do we educate, how do we uncover new insights and continue to develop our relationship with the business customer.