

New Technology Solutions for the Modern Workforce with the Focus on Text Messaging and Mobile Applications Changing the Way We Communicate



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“The new way to work, is a complete shift in paradigm so we give our customers the ability to be the first to access that new generation of buying power.” - Erik Levitt

CEO CFO: Mr. Levitt, on your site I see “A New Way to Work.” How does 1stPoint Communication lead the way?

Mr. Levitt: We feel that the workplace is changing with a new generation entering the workforce, the way that they work, the way that they handle data and the way that the workforce organizes itself, represents a new paradigm in the modern workplace. We need to create products and services that are designed to suit that method of operation, which is no longer going to be centered on a fixed office location where everybody has a discreet place to sit and a discreet place to work. This workforce is going to be mobile, this workforce is going to be active and it is going to move around. That changes everything in the way that we deliver services to the new modern worker.

CEO CFO: What are some of the services you are provide and how do they differ from a more traditional model?

Mr. Levitt: One of the services that we provided is the ability to text enable numbers. You can have your office phone send texts via your email, or via a dedicated application because the new workforce will use texting rather than email. To address the market that is under 35, we feel that text messaging is a critical communications component alongside traditional voice services. We do deliver traditional voice services but with more of a focus on the over-the-top application and the mobile application versus the traditional phone system with a fixed hard phone on a desk. The other services including virtual desktop and traditional email also have to be delivered in a more mobile format where you can consume that service from anywhere.

CEO CFO: How do you simplify things so the customers can understand?

Mr. Levitt: We are no longer trying to offer services in the traditional manner where we provide a phone or we provide you a virtual desktop or perhaps an email account. We are providing these services in a different way, as a business tool so you do not necessarily order the phone, you do not necessarily order the desktop, you are ordering a person. You are ordering new a workplace rather than individual services ordered à la carte. In that workplace you are ordering the ability to provide messaging service to your end user, or ordering the ability to provide applications to that end user and you are ordering the ability for that end user to communicate with customers and suppliers but rather than ordering in the traditional format where I order a circuit, telephones or Internet services. We prefer to sell business as a service where we offer a product where the underlying technologies are completely ubiquitous and that simplifies the model because a customer does not need to understand all the underlying parts, they just need to understand how they want to do business and this is what they need to order to make that happen.

CEO CFO: Are you providing one solution and then people will choose the parts they need?

Mr. Levitt: Yes, exactly.

CEO CFO: How do potential clients learn about you specifically but also that this kind of service is readily available?

Mr. Levitt: I wish there was the ability for them to divine that such services exist. However in as much as we do not have a link between each other’s brain we need to find creative ways of getting through the churn of big data that is offered to

our customers and all consumers on a daily basis. We do not use outbound emails as an option. We do not use any outbound campaigning. We offer inbound services such as search engine optimization where customers will come to us with a bonafide requirement. The customer approaches us about their need. We have put a lot of focus on building our website and making it easy to understand and making it easy to find via Google, Yahoo or any search engines or mobile applications. We are trying to do a lot of work with social media and a lot of work with bots so that we can evangelize our brand of a new way to work and the mechanism that it entails that makes life easier for our users.

CEOCFO: *How do you help the end user understand the various capabilities?*

Mr. Levitt: The marketplace is changing and at this moment it is not clear to a lot of end users how to approach the modern market. Over-the-top applications have grown dramatically. The use of texting has grown dramatically. Frequently I will explain to end users that they really do need Texting as a Service. The end user will ask why and when I lead them through the process of marketing to the modern consumer under 35, they recognize that the best form of communication is via a text message. The GSMA and CTIA have fairly explicit rules on how to make sure that the texting does not become part of the same quagmire as the email network. There is a certain decorum that needs to be applied when using text messaging for marketing. You have to respect the regulations and requirements. We found that as we educate consumers on how to use text message based marketing to opted-in customers they see a much higher return on their investment in marketing dollars and they also see a much higher return on communication with existing customers. They get them to return by providing them with coupons so that they can come to their store and return rates are substantially higher. This new mechanism for marketing is still largely misunderstood and to some degree is an experiment for a lot of consumer driven businesses. As we go forward that understanding is going to increase dramatically but we are now seeing wide-spread adoption of marketing communication via text message. That's probably the largest source of growth within the messaging space and will continue to be so going forward as we see more young consumers enter the market with cash to deploy in order to consume products and services.

CEOCFO: *Would you tell us about your national network? Are clients responsive to a local presence?*

Mr. Levitt: We have locations throughout the United States from New York to Seattle. I do not believe that the network footprint has a dramatic impact on how our clients consume our services because most of these services are offered in a mobile format as it is. Our points of presence arguably have a smaller impact on overall offering of our service than they have in the past.

Datacenters and the underlying fiber are the basis of infrastructure that we deploy and there are certainly some services which need to be provided locally in order to reduce latency, improve efficiency. That is a divergence in the model from ten years ago where we were starting to see a large shift from on-premise to datacenter and now I see a large shift even from within the datacenter from private computing infrastructure to cloud computing infrastructure. Moving forward the network will continue to be a delivery mechanism, but the concept of the datacenter point of presence will still need to be to some degree local to provide all of the high volume content as quickly as possible. Our footprint in general is shrinking as applications become more global.

CEOCFO: *What has changed in your approach over time?*

Mr. Levitt: A new way to work is a relatively new concept at two years old. There is no such thing as a local organization any longer. Virtually every organization, even small business, to some degree now works globally. When people ask where our personnel are I tell them we have people on three continents, which includes Israel, India and five states in the US and yet we only have twenty people. The modern organization is going to look more like that and we have to be able to provide services to those organizations that keeps them functioning as one company. You need to act local and be global. That changes the entire paradigm of how you deliver a product or a service to market. Going forward, we will be focusing more on delivering services and solving business problems, then deliver individual components of an infrastructure. For example our agreement with ERM Telematics allows us to deploy a nationwide vehicle for management systems. It is not your traditional RFID product, which is focused on the health of the cargo, this focuses on the health of the vehicle and the driver. I could approach a construction operator about selling mobile phones to their drivers but all of their drivers already have mobile phones, or I could sell them a solution where I deploy a mobile device, but I provide the capability of monitoring their entire fleet infrastructure. We are selling mobile infrastructure as a business solution rather than a component. Those business solutions revolve almost exclusively around the mobile workforce rather than the workforce sitting at a desk.

CEOCFO: *What is next for you; it seems you have limitless opportunities?*

Mr. Levitt: We would like to believe that the opportunities are almost limitless. Clearly they are bounded, but the boundaries are quite broad. We are going to continue to focus on deploying business as a service. We will continue to offer new services that are congruous with our mission and our objective of providing a new way to work.

CEOCFO: *Why is this the right time for 1st Point?*

Mr. Levitt: Our focus is on delivering to the new market. The profile of the consumer has now changed because the generation that we call “millennials” now have buying power. As we learned in marketing, an individual is not part of a market if they do not have buying power, the ability to purchase. It is how you purchase which changes the paradigm for how the supplier needs to do business. We feel we are in the right place at the right time now because that generation which changes the paradigm, now have buying power. Our clients who adopt our model will be first to market and access that buying power. The access to buying power is absolutely critical in any industry whether you are selling towels, hair dryers, cars, computing services or cloud computing. The key is to access the buying power and to do that you need to be able to market in the way that the consumer wants to be marketed to and in a way that they understand. If you miss that then you are going to fail in whatever business, whether it is auto repair, pest control, a school, university, a bank, an application service provider. It does not matter what market you are in, you have to address the market in a manner consistent with that market’s desire to consume information. The new market, the new way to work, is a complete shift in paradigm so we give our customers the ability to be the first to access that new generation of buying power.

