

Cellular Network Failover Solutions Providing Wireless 3G/4G Backup Connectivity, Device Monitoring and Centralized Management for Retail, Financial, Manufacturing, OEMs and Tier 1 Telecommunications Service Providers



Tom Butts
CEO

Accelerated Concepts, Inc.

CEOCFO: *Mr. Butts, your site indicates, “Connected is everything.” Why and how do you facilitate that at Accelerated Concepts?*

Mr. Butts: We found that many customers who have a focus on cost, especially in retail, buy the least expensive connection to the public network, regardless of any other metrics. What they find over time is that their public network connection is critical to their business, but it is not reliable. We provide a fail over solution which protects the customer when their primary connection fails, allowing them to use a very reliable technology, cellular, as an alternative public network connection. Our solution recognizes primary network outages and seamlessly manages network traffic between the unreliable primary connection and cellular, keeping the customer connected and allowing them to continue to process point of sale transactions and other network based activities to get their business done day in and day out without interruption.

CEOCFO: *Do you offer a better first option if they want it?*

Mr. Butts: We are not in the services business but we provide the equipment and have partners we work with to provide both primary and cellular network service. If a customer desires an end-to-end solution, we bring in partners to do primary connectivity.

CEOCFO: *Is there a certain point in time when a company realizes that they are missing out? Does it take a somewhat catastrophic event?*

Mr. Butts: We have seen a combination. We were working with a large gasoline company who could not process credit cards when their primary connection was down yet it still took a significant amount of sales work to convince the decision maker that the return on investment was very short. This was even though there are very few people who pay for gasoline with cash and without a reliable network, they could not sell gas. While they did have to make an investment in the equipment, the pay back was in a matter of months. I do not know if there is a definitive answer to a catastrophic event bringing recognition or people generically recognizing they just need to get it done. But, as more and more people understand the amount of dependency they have on their network connectivity, it's a natural progression to realize they have to have something other than DSL, cable modem or whatever was chosen as a primary connectivity as a backup, because when it's down, they are not able to operate.

CEOCFO: *Are you surprised that people or businesses do not plan for a redundancy at the beginning?*

Mr. Butts: I think the bottom line is a historical acceptance of some loss. For example, we work with a retailer that while their connection is down they will accept a certain amount of credit card transactions, up to a specified dollar threshold, and will take the risk and potential loss associated with that. That policy is a better risk than having redundancy. But, what we have seen is over time, as more and more people do debit cards and other activities in the store that require a connection, the choice for redundancy becomes more obvious. I would have to agree that it has taken more time than probably all of us would like. It takes people longer to realize that they need secondary connectivity and maybe it does require the company to have a catastrophic event before they realize they need to do something about it. The real issue is customer perception and satisfaction. That needs to be part of the equation as you try to make your decision.

CEOCFO: *Would you tell us the range of your products and who might use what?*

Mr. Butts: We do a lot of OEM white label work. We build VPN routers and we supply those to major Telecommunications Providers here in the US. The Telco's have a global footprint so our devices are deployed worldwide through that channel.

We also have our suite of cellular connectivity/failover devices. Our latest offer that we are most excited about is our SDN work. We have already presented the prototypes for our family of Software Defined Networking devices to a customer for rigorous lab validation & testing. We are working with partners including CISCO and others to put their virtual router and virtual network function capabilities inside of that device. The thing that makes us the most excited about it is that we have always prided ourselves on engineering and we believe we have the best performance for the price in this space. The first models in our SDN device family will be ready to go full production in a matter of months, putting real devices in customer's hands. This is as opposed to our competitors, which are stuck with no prototypes and only whiteboard drawings selling the theory of what their SDN is going to be. We are ready to support SDN in the second quarter at production levels.

CEOCFO: *How are you able to stay ahead of the game? What do you know that others do not?*

Mr. Butts: I think the key to success for us is that we have always been an engineering firm. I do not know that we outthink other people, but our ability to respond is better. We had a new customer requirement last year for an out of band management product, which we ultimately launched as our 5400-RM Cellular Remote Manager. It was only four months from the time the customer told us what they wanted, until we delivered working prototypes with a management system wrapped around it so they could begin their testing. Building a toolbox with a whole bunch of currently working software and hardware designs and our ability to take those and morph them to a particular customer's application is our key to success.

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CEOCFO: *Accelerated Concepts was recognized recently with a Business Impact Award at the IoT Evolution. Would you tell us about the recognition?*

Mr. Butts: There is a customer who has stand up stores for the holidays and every holiday season. They stand up 800-1000 stores and they did not want to pay for DSL, cable or any other contracted solution. They wanted a temporary solution they could set up fast, and tear down with the rest of the store at the end of the holiday season. They said they were going put everything on cellular. They had a VPN device and planned to put a USB card in the back of it. They thought life was going to be great and it was inexpensive. Success rate was in the low 20th percentile and they assumed cellular does not work. Thankfully, we were invited in to show them that it does work and the solution they had chosen was a poorly implemented. We brought our Cellular Extender to demo and moved the Cellular Receiver Transmitter to an optimal place. This got the success rate above the 95th percentile with their preferred carrier. They had a 100% solution where there was cellular network coverage available. There were certain stores where no carriers had coverage and they had to do something with DSL or cable, but it was very few stores. This has been an ongoing implementation. The customer has been doing this for the last five years and occasionally they refresh their technology or add some additional stores or a new contract. The key to success for Accelerated, and why we were recognized with a Business Impact Award, is we have proven case studies demonstrating when a customer is struggling with a cellular solution we have the ability to come in and use our device to get it to work in virtually 100% of their stores.

CEOCFO: *How do you respond quickly as your business is growing?*

Mr. Butts: We focus on the things we are really good at, like engineering, and let others do the other things. We use Jabil Manufacturing as our main partner for building our devices for their ability to scale. We have a line that we reserve in their factory, so we can use that line to scale as much as we want. Secondly on the support side, we have a great partner who helped us establish 24/7/365 support without us having to bring in a whole lot of headcount. We will never be able to build our support staff as quickly as a partner who is already in the business can, and we found a partner that provides the superior level of care we expect for our customers.

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

Mr. Butts: One of the things that we wanted to make sure we did in this business was to make sure that our ownership strategy allowed us to move fast. To date we have been able to grow the company organically with any need for external investment or debt. We are 100% employee owned. It has allowed us to take risks that some customers or other companies would have avoided because the business case was too risky. Being employee owned, we are able with many new technologies, just like my earlier example in the SDN space, to take a look and say we will be really good at it and quickly move forward. I think that is key to success. We have had some winners and losers and taken some risks, but not

haphazard risks. We take educated risks where there is a business case surrounding it showing we can be successful. We take risks where it makes sense for Accelerated.

CEOCFO: *You recently expanded your Brisbane office. What is your geographic reach and where might you go next?*

Mr. Butts: Today we are in 62 countries and we are planning to take it to 90 countries. When it comes to where we are going to have sales, engineering or support staff, at this point we are going to stay where we are, which is in the US, in Tampa, FL & Chicago, and then in Brisbane, Australia. We will continue to leverage our partners to help us scale globally. We do not have a direct sales force. We sell through distributors and Telcos. And while we are open to staffing help desk teams in specific geographies if needed, so far we are able to provide excellent support 24/7/365 with a team based here in the US.

CEOCFO: *What do you offer that is not getting the traction that it should?*

Mr. Butts: Unbelievably there is still a tremendous amount of people doing dial up networking. They have legacy applications that they cannot change and do not even know who wrote the code decades ago, but they are dependent on the applications. So far, we have seen several of the major Telco's here in the US and around the world start to dismantle their dial up network and customers having to move to 800 numbers and paying to keep those dial up networks up, just to keep their legacy applications going. We built a dial replacement platform that does not require any change in the customer's application. We take that dial up application and convert it from a dial up situation locally to either cellular or an Ethernet solution over IP. We have not seen great traction. I see many customers doing what we call the ostrich syndrome, where they have their head buried in the sand hoping that their application either dies or the dial-up network continues to move forward even when the Telco's have announced they are tearing things down and forewarning of the cutoff date.

CEOCFO: *What are the newer technologies that should be available now but perhaps are not on the horizon?*

Mr. Butts: I think the biggest impediment to technology moving forward is available spectrum. We see tremendous opportunity for people to move away from terrestrial lines and other options to cellular. There is plenty of speed and throughput in the cellular networks. The problem is there is finite bandwidth and spectrum, so we have to have data plans that reflect that. We cannot give you 100GB a month because we just do not have enough spectrum to do that. We see so much spectrum wasted with obsolete technologies like over the air UHF channels. The other things that impedes us the inability to get global spectrum ranges. The biggest impediment to all technology moving forward is the lack of spectrum and the inability to free potential spectrum up from its legacy uses.

CEOCFO: *What is ahead for the next year for Accelerated Concepts?*

Mr. Butts: We have spent a tremendous amount of time, energy, and marketing establishing new channels and the sales from those channels is just starting. We anticipate a great 2016 because we did all the homework necessary in 2015 to build a solution where the customer who was going to use the product could bill it and make it part of their standard services. The key for us now is to make sure that we are able to scale to keep up with demand. We have a great strategy because we have a manufacturer who can support tremendous scale and a help desk solution that can absorb increases in volume without issue. More than 65% of our employees are engineers. We think that combination gets us ready for some tremendous growth and the ability to respond to opportunities from customers with brand new ideas or tweaks to current products to make sure we meet their needs perfectly.

CEOCFO: *How is it still exciting for you?*

Mr. Butts: I spent twenty plus years in corporate America in big computer companies and telecom companies. Our ability to execute was always hampered by process and other things. We are still having fun here. We are not slowed down aligning investor buy-in like some of our competitors. At this point, we are having a good time, making this company grow, delivering great products for customers. When you get a satisfied customer it gives you a great sense of satisfaction coming back at you. We are making our customers happy and accomplishing something on a daily basis, making people's problems go away and making them happy.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine



Accelerated Concepts, Inc.

For more information visit:

www.accelerated.com

Contact:

Tom Butts

813.699.3102

Tom.Butts@Accelerated.com