

With their Titanium now the Leading Platform for Companies Building Apps for the Next Generation of Mobile Devices Deployed on 75 Million Devices by 350,000 Registered Developers, Appcelerator is Leading the Way into the Future of Communication Technology

**Technology
Mobile
(Private)**

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**Jeff Haynie
Co-Founder and CEO**

BIO:

Jeff Haynie is co-founder and CEO of Appcelerator. Jeff is a long-time serial entrepreneur, technologist and blogger. Previously, he was co-founder and CTO of Vocalocity, a software provider in the communications arena, and before that, CTO of eHatchery, a digital incubator and offshoot of Bill Gross' idea lab. Jeff has worked on numerous standards committees such as IETF and W3C. He has been a core contributor to a number of important open-source technologies such as JBoss and OpenVXI. Jeff served with distinction in the U.S. Navy.

Company Profile:

Founded in 2006 and based in Mountain View, California, Appcelerator makes Titanium, the leading mobile platform of choice for thousands of companies seizing the mobile opportunity. With applications deployed on 75 million devices, the award-winning Titanium Platform leverages over 5,000 APIs to create native iOS and Android apps, as well as HTML5 mobile web apps.

Over 350,000 registered developers have launched applications on Titanium, including world-class brands such as NBC Universal, ZipCar, LEGOLAND, eBay, Medtronic and Michaels.

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

CEOCFO: Mr. Haynie, what was your vision when you founded the company and where are you today?

Mr. Haynie: When we founded the company in Atlanta six years ago, we focused on creating a product that would enable developers to more quickly and easily build next-generation apps. We spent the first couple of years building some of the core technology and trying to understand the big problems that people had in developing apps.

In the middle of this effort the iPhone came out. The idea that Apple would shift to these new types of devices from traditional web desktops reshaped everything we thought. That was the company's first big pivot-point. We had to think about how the

shift to this new device would shift the development of apps. Would the whole ecosystem built around how people build apps for companies, and also the technology platform underneath apps, shift as well?

At that point, we realized there was a huge opportunity to focus the technology we had been building on mobile. We raised money in the summer of 2008 and moved the company to Mountain View, California. We then focused more on how to really take advantage of that big change. Since then, we have grown quite a bit.

CEOCFO: What have you figured out that perhaps others will not?

Mr. Haynie: As a serial entrepreneur, I advise most entrepreneurs, especially those in technology, that they must have bifocal vision. You have to be extremely focused on the short-term: what is the next immediate milestone, how do you do just the minimum to get to the next point? Don't worry about scale, and the future, and becoming a big company.

At the same time, you need a broader vision. This is particularly difficult for early-stage startups that do not have many resources. You have to be extremely focused and take many bets, but you cannot think so much in the short term that you miss the bigger picture. Nor can you become so narrowly focused on solving one small problem that you cannot build a big business around it.

Such discipline is difficult. Startups do not die from a lack of opportunity, and they do not die of starvation; they die

of indigestion. The difficulty is not the lack of opportunities, but that they have so many potential directions to take. It is like being faced with a wall of doors and not knowing which one to enter. Making a choice is more art than science, but it is not easy.

CEOCFO: Do you find that if you have the personality and discipline you can be successful with company after company or does it depend on what the company is producing or the concept being offered?

Mr. Haynie: My viewpoint is that there are not many highly successful repeat blockbuster serial entrepreneurs. We know who they are, usually. Most people have one shot at the right market, fit, timing and execution. What you do learn, and can continue to apply, is to not make the same stupid mistakes but to focus more on the core problem and still create significant value. You learn so much that each repeat gets easier. However, the timing of the market is impossible to predict.

CEOCFO: Regarding Appcelerator, who is using your services and what do you provide?

Mr. Haynie: We provide a software platform that companies big and small use to build applications for the next generation of mobile devices like the iPad and iPhone. Eventually our platform will be used for connected television, connected cars and all the mobile experiences that will happen over the next decade. We provide this platform in a way that makes it super easy for users to leverage their existing resources and the web to take the leap into the next technology shift.

We monetize our platform by selling it as a recurring subscription. People can start for free and use the software at some capability, and then as they have success, they can buy the software to gain a higher level of capability and commitment.

Most of our customers tend to be larger companies that are looking to

make the move to mobile or that see mobile starting to impact their core business; their audiences are increasingly going in the direction of mobile and are looking to be able to handle that. The issue for our customers is how to handle this changing and shifting mobile technology in a way that lets them elaborate on what they have, not throw it away. A great many companies at every stage of development are using our product.

CEOCFO: What makes your platform better and easier?

Mr. Haynie: We have focused on creating compelling native experiences with beautiful UIs and interesting capabilities. We have a very large ecosystem of developers, systems integrators, and small and large companies that do high-end development.

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In addition, other software providers integrate their software into ours, which makes our software much more valuable to the end user. We have really focused on our differentiating technology; it produces phenomenally great apps at a fraction of the cost and with significantly more readily available resources.

CEOCFO: What was the greatest challenge of putting all that together, cheaper, better and faster?

Mr. Haynie: Technology is quite difficult; it is hard to make something super easy and friendly to a broader range of people while at the same time making it powerful. We have been working on this technical challenge for many years.

But market timing is probably the hardest thing. If we had invented this

technology a year earlier, the market would not have been ready, and a year later would have been too late. Certainly there are plenty of people coming behind us trying to do similar things, but while they might have the technology, they do not have significant traction in the market.

CEOCFO: How do you get people to go from the free version to paying for your service?

Mr. Haynie: My philosophy is that we continue to focus on building a great product. What we find is that people do not mind paying; they hope to get as much as they can out of our product - and hopefully dramatically more out of it than they have invested in it. We believe that charging a premium works in cases where you have a low cost of distribution that you can monetize. The cost of distribution is low, but the pain point and the value that distribution can create are both relatively high. It is a nice way to make money and lower costs. This issue is more about how we reduce the friction for our users in a way that drives demand for the paid product.

Our typical buyer is not the person who downloads and uses our software but a manager or business owner, somebody who actually has a budget. Our typical user is the technology developer, the IT shop and so on. As you get into more substantial companies, IT has a budget. But the individuals downloading our software and deriving immediate value from it do not necessarily have a budget themselves. We do not think every single download user has to be monetized; we want to allow their employer, their company, to pay us. There could be ten developers in a company using our software, and we only monetize the company once. We are focused on looking at the data and looking at the software problems companies are having and the opportunities they are creating.

CEOCFO: Are there industries or particular types of companies that should be making use and really are not?

Mr. Haynie: You always have early adopters in any new technology, but what is really surprising is that industries that might traditionally lag are showing tremendous increases in early adoption - more than usual in my experience. I think it is because the mobile phenomenon is so dramatic; most people on the globe are moving to mobile devices now. Pretty much everybody in this big technology shift will need to move to mobile very quickly. Every company we are seeing is moving to mobile.

How aggressively you move to mobile and how you innovate in that arena might be slightly different depending on your industry or company profile. But it is amazing; we are seeing companies that lag in technology trying to embrace it very quickly, and that is encouraging.

CEOCFO: Are your users mostly in the U.S.?

Mr. Haynie: Most of our user base, about 60 percent, is outside of the U.S., and Europe is a very big part of that. Conversely, more than 80 percent of our revenue comes from North America today, but that will change over the next couple of years. We've opened offices in London, Germany, China and some other areas. From North America, we are selling to Japan, Australia and quite a number of other places.

CEOCFO: Appcelerator has received a number of awards and much interest from the technology community; is that important for the company or just nice to have?

Mr. Haynie: The awards are a validation of what we are doing. They are important only in the sense that they reward us for all the hard work we've done for many years. They also validate our position in the market and the success we have today. We are not hanging our hats on such recognition and standing still. We try to be humble as a company and figure out

how we can be better. We continue to push the envelope and provide more value for our customers.

CEOCFO: What do you see a year or two down the line?

Mr. Haynie: We are experiencing amazing growth as a company. Our first phase was about how we built the technology: would it work? The second phase was about people: are people really buying our product? Could they make money with it and hire people to actually implement it? How does it all come together?

Right now, we are going through the third phase of our maturity. We have a great product to market fit, customers are really using it, and we have quite a bit of revenue. The question now is how do we take it to the next level and significantly scale the company both in terms of size and more importantly, in terms of revenue opportunity?

The revenue opportunity in front of us is in the billions of dollars. If you think about the worldwide multi-trillion-dollar mobility market that will happen in the next ten years, the opportunity is quite dramatic. The great franchise companies such as Google, Facebook, Microsoft and Oracle pretty much started at a huge pivot point in technology. They had a small window of time to take advantage of the pivot point, and they became big quickly.

I think that is our opportunity. Will we be the size of Google in two years? Of course not. But I think our trajectory in the next year-and-a-half to two years is really going to determine whether we will be a great long-term franchise company that will become one of the great brands, or simply be a great company that can provide significant return and value for people.

We are trying to focus on becoming a great long-term franchise right now. The opportunity is expanding more greatly than any one company can

take advantage of. That means we have great capital and a great balance sheet. We do not have to worry about running out of cash or running out of fuel. Our market timing could not be more perfect; the market is expanding fast. We have a phenomenal team, both at the senior level and at every other level. We have a great base of customers that is expanding quickly. I think that if we continue to scale faster in terms of revenue and the people supporting that revenue, then we have a phenomenal opportunity in front of us.

CEOCFO: Why should potential investors pay attention and what might people miss that they should understand about the Appcelerator?

Mr. Haynie: We are heavily focused right now, and we have been traditionally, on the developer ecosystem and the build part of the application lifecycle. People might think they are building highly interesting tools, but often overlook the fact that you often cannot build an interesting company upon them. We feel that if we can inject ourselves into a significant footprint of developers and companies on one end, and end users on the other end, hundreds of millions users will be using our software on their devices. In other words, our customers' applications are being used by almost eighty million people today and will be used by almost one hundred million people in the next quarter.

If we look out eighteen months, we could have five hundred million users as we continue to expand and serve two important constituents, i.e., end users, including the corporate population and consumers, and the people who create the applications. An amazing amount of value can be created in the middle, and you can have amazing relationships by being in that middle. This makes for a quite a large and interesting opportunity.



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