Powering the Cloud behind Service Providers and the Private Cloud Enterprise Environment, Appcore is delivering the Infrastructure for Telcos, Datacenters and other MSPs Worldwide

Business Services
Automated Cloud Computing

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Brian Donaghy
CEO

BIO:
Brian Patrick Donaghy is CEO of Appcore®. Prior to Appcore, Brian was the founder and CTO of Computility, Inc., a pioneer in the precursor of cloud computing – utility computing. After successfully developing several revolutionary products and services, Computility was sold and is now owned by CDC Software.

Brian also served for ten years as Senior Partner and CTO of venture capital firm Growth Ventures Group, Inc. architecting and delivering business process technology products and companies. Notable market-driven Software-as-a-Service products created by Mr. Donaghy include the Smart Online Sales Force Automation

and CRM applications, Computility Business Management System, Utility Management System, Online Backup and Subscription Computing.

Philanthropy, missions and social enterprise are near to the hearts of the Donaghys. Projects through their family's Broadhorn Foundation include social enterprise Patronae, United Way's Tocqueville Society Members, Social Venture Partners Central Iowa Founding Partners and Broadhorn Church.

Brian and his wife Julie have two children in college, Jade, 22, and Taylor, 21 – both Hawkeyes! Brian and Julie live at their farm near Des Moines, Iowa where they raise grass-fed Galloway beef.

About Appcore:
Appcore® delivers local cloud infrastructure for enterprise private clouds and service provider public clouds. Appcore Onsite™, a converged platform of automation, appstore, administration and architecture is designed to be roll-in ready, accelerating the deployment and automating the operations of cloud environments. Appcore simplifies the complexity of cloud technology for data centers, telcos, software vendors and enterprises with flexible and scalable best practice solutions backed by end-to-end management and support.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Donaghy, what is the concept behind Appcore?

Mr. Donaghy: We automate the business of cloud computing. You can think of Appcore as a manufacturer of cloud in that we service two primary markets—the service provider market and the private cloud enterprise environment. We provide cloud computing infrastructure for companies like telcos, datacenters and other MSPs so that they can go to market with a public cloud offering. Similarly, we bring together a converged platform so that private cloud enterprises can act like a service provider to their customer base bringing private cloud into their datacenter.

CEOCFO: What is the difference between an automated cloud provider and just a cloud provider?
Mr. Donaghy: Not much distinguishes an automated cloud provider and a cloud provider, but to be a cloud provider to begin with requires a few pieces of distinct functionality. You need to have customer self-service, which means that your end users, internal employees and the general public can come and provision their own compute or applications the same way that they would buy long-distance service or electricity from home. Computers are becoming a utility in that aspect, so that customer self-service component has to be there, which includes the full billing and chargeback of that utility and then all of the converged infrastructure behind it. This means utility-grade compute platform. That is the big concept with cloud computing, that it is becoming a utility type of service where you can buy your networking, compute and storage as you need it.

CEOCFO: What is the competitive landscape for services that offer the breadth and depth of Appcore?

Mr. Donaghy: There are two types of companies out there now. There are large public compute platforms like Amazon Web Services, the 800-lb gorilla. There are companies like Rackspace and these are large data-center-based, public compute environments mostly in the commodity compute space. Then there is the far other end, which is the traditional storage and server companies like HP, EMC or IBM that are bringing together a few of their internal pieces and coming to market with a converged infrastructure that is missing a few of the components still. What Appcore does is we focus on the business of cloud computing. I have been in this industry since the early nineties when we founded a company called Computility, which did early utility computing—the precursor to cloud. We have seen this develop over time and we had many best practices come out of that. Because of this, we really understand the market can deliver a full solution in a turnkey manner today. We power the cloud for PLTD, which is the telephone long-distance company for the Philippines. From the time that we had an agreement with them, to the time that they had the first public cloud in the country up was a 45-day process. We can do that on an ongoing operating expense model. We power the cloud behind telephone companies like this all over the word.

CEOCFO: When companies come to you, do they know what they want and do they realize the difference in the type of service you provide or are you still in an educational mode?

Mr. Donaghy: We are entering into our fifth year of business in January and it has been an education process as this is a new technology going to an older industry. The telecom industry has been around for 100 years and they are very accustomed to selling voice in a regulated environment. Cloud is a non-regulated global service, so they are all curious about how to develop a cloud strategy, and that is the question that they come to us with. They know they have to move this direction. They need help with their cloud strategy and need to understand how to sell. Those are the things that we help them with, in addition to delivering all the technology.

CEOCFO: How do you reach potential customers?

Mr. Donaghy: We are more of a manufacturer. We have two channels and a set of strategic partners that take us to market. Plus, we do a great deal of education and trade shows all

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around the world. We probably do 45 tradeshows per year.

CEOCFO: What was the most difficult piece to put together as you were developing the platform?

Mr. Donaghy: The automation components are the newest piece, so if you think about the building blocks of what we deliver, there is architecture, the underlying networking, the servers, the storage. There is an administrative component, which determines how all of this works together, the best practices, the delivery, installation and support aspects of it. The two things that are the cream of our four disciplines are the appstore and the automation. Those are the most difficult components.

We have a technology called Launch to Cloud. This allows a non-technical person to go to a company's internal IT store, click on a button, launch a network and server, and get a compute resource just like they would buy a book online. We created a complete automation technology to make that happen. Now because there are hundreds of networks that are out there and hundreds of clouds that must be managed, we have a set of automation software that reaches around the globe to manage all of these multiple environments from a single dashboard interface. Those are some of the higher-end challenges that we work on and deliver today.

CEOCFO: Customers are always concerned about security; what assurance can provide customers on the security of your system and security in general?

Mr. Donaghy: There are two things on security- the way we deliver a public cloud environment through virtual private cloud and creating a private secured environment for each individual customer. All the networking is private, so nothing is shared between customers other than the CPU and RAM itself. We have a best practices-centered ring of security and a team of people that are just cloud security experts and this is all they do. I think the primary users of this cloud environment are small to medium enterprises and few and far between will have cloud security or information security experts on their staff. Because we are in the business of trust, we have to doubly ensure that those environments are always secure.

The second component is that we can deliver single-tenant private cloud, which means this is an environment that is fully dedicated to one customer. This just creates another level of information security. In many regu-

lated environments, this is a necessity for delivering their information.

The third component that I want to really point out is that we specialize in local cloud networks. These are clouds near you, so we can bring this whole computer environment into your datacenter, into the telephone company in your vicinity or some place next to you. Proximity is important, especially in regulated environments and when dealing with data sovereignty issues in different countries.

CEOCFO: You mentioned the Philippines; what is your geographic reach and do you see specific areas where you would like a greater presence?
Mr. Donaghy: Right now, we are focused on the two fastest growing markets, which are still the Americas and Asia. We have offices here in North America headquartered in Des Moines with regional offices in Atlanta and San Francisco. We have Asia offices, and our headquarters there is in Singapore. We have a global support center in Manila and we have our Asia build center in Hong Kong. Those are the two regions we are focused on. We have deployments all over the world.

CEOCFO: Are your customers taking advantage of the full range of services?
Mr. Donaghy: We deliver one flagship product called Appcore Onsite. Inside, it is a full package of the business of cloud computing. The technology and what it is that we are accomplishing is complicated enough, so we made the delivery and the way to buy this infrastructure simple. Everything comes with it. From that aspect, our customers are able to take advantage of all of the pieces and everything that goes into a full set of automated infrastructure.

CEOCFO: How is business?
Mr. Donaghy: We got the award earlier this year as the fastest growing company in Middle America, so business is good.

CEOCFO: What is ahead for Appcore?
Mr. Donaghy: We are going to see some interesting trends in 2013. As much hype as there is about cloud computing here in the US, which is the most adapted country in the world, only about 30% of companies use some sort of cloud computing service. There is a large area of growth that is going to continue. We think that having that local cloud network infrastructure close to you is something we are going to see much of this coming year, much more adoption into South America and a continued rapid growth in Asia.

CEOCFO: Why should the business and investment community pay attention to Appcore?
Mr. Donaghy: Appcore is the only complete set of converged infrastructure that delivers the business of cloud computing. We have been doing this for a long time and continue to be market leaders and innovators in this space. There is a reason that we are the fastest growing company in 25 states in the US. We will continue to innovate.

CEOCFO: What should people remember most about Appcore?
Mr. Donaghy: We are going to continue to build the business of cloud and that is what we do.

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