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**The Most Powerful Name in Corporate News**

## **Precision Media Player for Media Professionals**

### **About Archimedia Technology**

Archimedia Technology specializes in the playback and human analysis of mastering formats, including JPEG 2000, for the professional broadcast, digital cinema, and video archival industries. Its technology and applications bring precise multiformat viewing to the professional's desktop, TV, UHDTV, and infrastructure. Archimedia's products fulfill a critical piece of the production and archival workflows, encapsulating complex file interchange and quality control processes for mastering and archive formats into practical solutions that give end users a new level of access to their assets. See more at: <http://www.productionhub.com/press-release/47801/archimedia-announces-enterprise-media-player-for-any-media-professional-regardless-of-expertise#sthash.ixfVc2Yq.dpuf>

**Interview with: *Mark Gray, CEO***

### **CEOCFO: *Mr. Gray, what is the concept at Archimedia Technology?***

**Mr. Gray:** Our expertise is digital media workflow and processing. We visited and asked all the movie studios and major network broadcasters where their pain points were, and they shared with us a very common theme: The new digital world of movie making and broadcasting is now file-based rather than stream-based, but the tools for being able to pull and process media assets for movies or broadcast material and easily watch them with any kind of precision are not really there yet. Our first product was a simple one, a simple media player, however, it plays the largest movie files and the largest broadcast files with complete precision. It turned out it was the only one on the market and still is today.

### **CEOCFO: *Why did you decide this was the area of focus?***

**Mr. Gray:** This is my fifth startup and probably 10th company. I've spent my entire career, 40 years now, building products either to make movies or to distribute movies and television images. It is all I have ever done, so I know all of the executives in the business, and they share with me what their pain points and technology needs are.

### **CEOCFO: *What did you do after your first product?***

**Mr. Gray:** Archimedia is only 18 months old, but because of our precision player, we have extraordinarily good traction with virtually all of the movie studios and network broadcasters. Now we're moving on, building on our offering with our precision player as the base. We continue to ask what problems need to be solved and then we build tools to solve those problems. That's why our logo is a puzzle piece — we build the pieces that are missing from the file-based media puzzle. It is a very simple concept.

### **CEOCFO: *What were the challenges in putting together the technology?***

**Mr. Gray:** There really were not any. The only challenge is really finding the product and getting the idea. I have had this engineering team together now through three companies. Although Archimedia is an 18-month-old startup, the team has been together for almost 10 years. We really know the technology. It is not a technology problem; it is just an implementation and execution problem.

### **CEOCFO: *How do you assemble such a team? How do you know when people have the right skills, drive and mindsets? What would you look for should you need to start again?***

**Mr. Gray:** In the course of my career, I've tried to find young people that I can bring along and help mentor, and peers that are overachievers and geniuses in the industry. Then I create a platform for them to express themselves technologically. I have assembled this type of people throughout my career. I have never used a recruiter because whenever I have an opening, I know exactly whom I am going to after. I have already targeted them potentially years in advance.

### **CEOCFO: *Who is using your products today, who should be and how do you bridge the gap?***

**Mr. Gray:** Our product is in use by most of the movie studios and broadcasters — Universal Pictures, Disney, CBS, AMC Networks, and so on. But it has a place in virtually any business environment where people need to view professional

video reliably and precisely in order to do their jobs, and we're relying on marketing to reach other market segments. Right now, since we are financing this company internally, we are on a limited budget. Marketing is done largely through PR and word-of-mouth, and we work hard to make sure that word-of-mouth is always good. That means that we not only have to have an excellent product, but our support has to be better than any other company of any size. We believe we have the best support in the business, and the best technology. Now we just want people to talk about it.

**CEOCFO: *How is it used on a day-to-day basis in a movie studio?***

**Mr. Gray:** Besides the precision player software, which the studios have licenses to use on their own computers and laptops, we also offer complete workstations that they use in their QC and finishing rooms. We also just introduced a slightly less robust version of the player software that anyone at the studio can use on their desktops — whether they lack the technical expertise to use professional video tools, or they are video experts who simply need to review their work without tying up an expensive edit suite. That version is free for businesses with an active support account. A movie studio can use hundreds of our products.

**CEOCFO: *Are they using it? Will they?***

**Mr. Gray:** Absolutely. Most of the major studios, broadcasters, and production companies are using it now, and more are joining them all the time.

**“We put together a team that is extraordinarily experienced in the high-tech movie-making and television-making business, and we really know how to listen to our customers and build what they want.” - Mark Gray**

**CEOCFO: *What are some of the areas of support on how to use some of the features?***

**Mr. Gray:** We support our customers on both ends of the spectrum. On one end, we offer technical support for the people who use our products — who are some of the brightest video engineers at the television networks and movie studios. In fact, those engineers always have good ideas, and they are the very people we turn to when developing our products. Listening to customers and building what they want you to build has been the reason for my success through five companies.

On the other end of the spectrum, we offer technology for video, and particularly for digital cinema, in a landscape that is always evolving. The way the products are made, the way they are encoded, is in constant flux, which means the various ways to encode the signal and deliver it is constantly changing. We have to constantly be looking for those new video and digital cinema formats and making sure that our products support them.

So it is technical support on one hand and feature support on the other.

**CEOCFO: *When you are looking at a new concept, do you know whether it is going to work, whether it is going to be accepted? Do you have the experience now or have you been surprised from time to time?***

**Mr. Gray:** I have been surprised, both by what has been accepted and by what hasn't. What we normally do, particularly if it is a major effort — a certain product NBC wants, for instance — is try to build something that not only works for NBC, but something that other networks and studios would use too. We talk to other networks and studios about it to make sure the product can be applied across various kinds of workflows and networks. Sometimes we get it right and sometimes we do not. We always try to do something that at least one of those big customers will buy in bulk. That way it will at least be a minor success even if it's not widely accepted in the larger marketplace.

**CEOCFO: *Are there features or specific products you offer that are not taken advantage of as much as you think they should be, that you really know are useful?***

**Mr. Gray:** Absolutely. I had this conversation with one of my partners this morning. The way that the digital world works is, people just assume computers work and move files seamlessly. Frankly, many of our customers and potential customers have problems that they do not even know they have. As a small company, it is very difficult to provide really high-tech reference tools that require a great deal of technical training and understanding to be able to use them, and at the same time educate the market and users about how to get the most out them.

**CEOCFO: *Do you need to keep much inventory? Are you able to manufacture as needed?***

**Mr. Gray:** We are a virtual manufacturer. We use contract manufacturers that build the systems to our spec. With today's automation, we have automated the company. We have a CRM that manages the sales organization all the way to a sales order, then an accounting system that takes that sales order, generates purchase orders to our vendors, and then

manages that inventory out the door. We keep no inventory and we have it so automated that I could run this company from my phone.

**CEOCFO: *What might be different a year down the road for Archimedia?***

**Mr. Gray:** We are getting to that point now where we are growing quite quickly, and you always have to be careful at various inflection points. They say that once a company gets to the \$8 million or \$10 million level, it has to be very careful in order to get to the \$20 million level. When it gets to the \$20 million level, it has to be very careful about making the right decisions to get to the \$50 million level. We are going to reach one of those inflection points in about a year. Making the right decision to get to the next level is always a thing that keeps me awake at night.

**CEOCFO: *Will you continue to be self-funded? Will you look for partners or investors?***

**Mr. Gray:** It is possible that we will offer equity to outside investors; however, my partners and I have done pretty well with the past few companies. We got the company structured as a very traditional venture-backed startup, but we created our own limited partnership to finance it. If you look at all of our corporate documents and stock purchase agreements, they look exactly like series A-, series B-level funding for major capital, but it is coming from our own limited partnership.

**CEOCFO: *Pull it all together for our readers. Why does Archimedia Technology standout?***

**Mr. Gray:** We put together a team that is extraordinarily experienced in the high-tech movie-making and television-making business, and we really know how to listen to our customers and build what they want. Our products are not something that anyone will ever use at home, because the home does not need this level of precision and reference tools, but we are going to be a company that people are going to hear about whether they use our products are not.

**CEOCFO: *Does is surprise you that such a basic concept seems to be overlooked so often?***

**Mr. Gray:** It has been a surprise for me my entire career. I have seen so many companies that hire a product manager, the product manager comes up with a product concept, the engineers build this product, and they bring it to market without ever talking to a customer. I see it happen over and over again, and it is just incomprehensible to me that someone would do it that way, but many people do. It is a really simple formula: You ask the customers what they want, and you go build it for them.

Conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

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