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With a Suite of Tools that Enable Enterprises to more Efficiently and Effectively Upgrade to the Latest Version of Microsoft Office, ConverterTechnology is Helping Companies Accelerate their Time to Productivity

**Business Services
Microsoft Programs**

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**Shawn Allaway
CEO**

BIO:
Shawn is a proven enterprise IT veteran with over two decades of experience driving revenue growth and streamlining operations. As CEO for ConverterTechnology, Shawn will continue to expand the company's market share as a worldwide leader in file migration technology and related services. In addition, he will seek to expand ConverterTechnology's portfolio of products and services through organic product development combined with strategic partnerships and acquisitions. Prior to his role as CEO, Shawn held leadership roles at ConverterTechnology most recently as president and prior to that as vice

president of sales and operations and oversaw double-digit revenue growth. Before joining ConverterTechnology in February 2009, Shawn held executive and senior management positions at NWN Corporation, Navisite, Navint Consulting and Surebridge.

About ConverterTechnology:
ConverterTechnology helps enterprises upgrade to new versions of Microsoft Windows and Microsoft Office without the risks, costs, productivity loss, and headaches that typically arise from enterprise deployments. By delivering automated software that streamlines migrations along with the expertise to plan, execute, and report on successful enterprise migrations, ConverterTechnology helps companies accelerate their time to productivity with the Microsoft platform.

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

CEOCFO: Mr. Allaway, would you tell us the concept and vision at ConverterTechnology?
Mr. Allaway: ConverterTechnology is a highly focused enterprise IT software company. We have built a suite of tools that enable enterprises to more efficiently and effectively upgrade to the latest version of Microsoft Office. You might ask, "What does that really mean? Is that not something that happens automatically?" No. What happens is that organizations have very complicated Microsoft Excel and Access files that have links, VBA and macros that may be problematic during an upgrade. Our tools can catalog all of your Of-

fice files, tell you which ones are old and should be out of scope; and then our tool actually fixes, a high percentage of all of those files automatically. It saves a lot of time over manual testing and remediation. Some of the companies in our client portfolio are the world's largest banks, financial institutions, and pharmaceutical companies. We have quite the rolodex of customers that have utilized our tool over the last ten plus years. That is where ConverterTechnology is today. We would like to continue to evolve and grow, both organically and through our product diversification strategy. We are also looking for ways to grow through inorganic means such as through acquisitions or strategic partnerships.

CEOCFO: Do most companies realize that they need help with Office, or do they come to you after the fact?
Mr. Allaway: We get a little bit of both. We have done a good job working with large systems integrators, such as Avanade, Computacenter, and Sogeti, trying to educate them on the risk mitigation strategies when rolling out Office. We have also worked very closely with the Microsoft because our software is helpful in getting seats deployed. Therefore, we are actually a "good guy" in helping Microsoft achieve its goals, which is getting these companies to sign Enterprise Agreements, Select Agreements, and so on. Between working with global software resellers, big system integrators, and then working alongside Microsoft, we have done a good job bringing to light a problem that many people think they simply do not have. Every organization has it –

especially those that use Office, principally Excel and Access, extensively. The issue might not be as pervasive as it is in larger financial institutions, where there are millions of files that are potentially at risk and need to be tested. Companies trying to tackle this issue can find this very daunting. We do come across customers that have started to deploy and then call us to say that they have run into problems. They ask us to come in. While everyone thinks that that is a wonderful opportunity for us – it is and it is not. In most cases, organizations have not adequately planned or budgeted for this type of risk mitigation, and need to backtrack. They are then caught in a tough spot trying to either do a rollback of the upgrade or trying to fix it on the fly. Since our software is not free, there are often budget issues that need to be dealt with. So how are they going to pay for it if they have not budgeted for it? The cow is out of the barn already. You cannot undo it, so it becomes a challenge. We have certainly helped organizations in this spot, but it is not the best way. Obviously, advanced planning is much better. "An ounce of prevention is better than a pound of cure." Therefore, we have focused very hard on trying to advocate that proper planning, being prudent ahead of time, and identifying pockets of risk is the best way to insure that the project goes off without a hitch.

CEOCFO: Is there much competition in the area that you serve; either direct or larger organizations that try to come in and help?

Mr. Allaway: Sure. We have basically, three competitors. Microsoft offers a set of tools that are free. They are not enterprise-ready tools, but are good for a small organization. They do not conduct automatic fixing, but rather identify potential problems in a particular Office file, albeit in a clunky fashion. I would say that Microsoft's goal is not necessarily to help you to run a better upgrade project, but rather have you buy software. However, their tool is free. Many customers chose to use the free tools then get frustrated using it, and

wind up calling us. Certain types of consulting companies can be the second class of competitor. These consulting groups typically look to do manual remediation, what we refer to as a fix on fail strategy. This approach calls for the users to send their files as they fail to the help desk and they will have a bunch or resources available to fix the problem code. This is a flawed post upgrade strategy if you think about it. For example, if I were running a big business unit in a bank, and someone from IT came to me and said, "We will fix it after it breaks"; I would be concerned if that file was critical for my unit's daily operations. Moreover, what if it is a file that you only run at year end, month end, or quarter end as part of the close? You do not want to wait until it breaks to fix it when you are in the middle closing your books. That is a poor migration strategy. I, as a business manager, would not accept this as a viable risk mitigation scenario.

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The "let us wait for it to break and then we will fix it" remediation might be acceptable in some situations, but it certainly is not acceptable for most of our customers. The third competitor is apathy. I say that apathy is a competitor because some IT organizations will say, "We are just going to push out the upgrade. Broken files are not our problem; they are the end users' problem." They will go ahead and push the upgrade out and let the end users deal with it. This is also unacceptable from an overall business standpoint. This strategy pushes the remediation back onto the end users; the people who are actually trying to produce revenue for the organization. The end users will have to stop their revenue producing activities in order to fix a file just to get back to steady state operations. That is a real cost to the organization. Those are the three competitors that we have –Microsoft's free tools, companies that are set up to do manual remediation with cheap

resources and then general apathy towards proactive remediation.

CEOCFO: Just from a personal level, I am incredulous that people do not realize how much of a problem it could be.

Mr. Allaway: There are a couple of things that have gone on, certainly over the past five years. With the global financial crisis IT groups have taken some big staffing hits. We are seeing what I call the "steady state effect," where what is left of these big IT groups are personnel that are really good at keeping things in a stable, steady state. They keep the lights blinking green and they do not want any disruption. Pushing the upgrade build out to desktops is the easy part, but proper project planning means they have to actually discover these files. However, IT may look at it and say, "We just do not have the resources to do it." They look at it purely from a resource constraint standpoint, which is understandable. Moreover, if the project has already received approval and funding, the last thing they want to do is go back to the business unit to ask for more money and risk the business units raising concerns about the budget and maybe deciding to defer upgrade until they feel comfortable. This creates interesting dynamics with what IT calls "end user computing." That is a nice, convenient way to say "It is the end users' problem; not mine." How I always counter that stance is through this analogy, "IT folks are the moving company. It is true that you did not build the baby piano in my living room, but as the moving company, moving from the old version of Office to the new version of Office; if you break that piano during the move I am going to blame you. It is going to be your problem. Your help desk is going to get calls. You have impacted the organization because you did not want to take responsibility or ownership for identifying which files could be at risk ahead of time. ConverterTechnology has tools that do this quickly and efficiently. However, IT may look at it as just another level of project complexity where they are already under-

staffed and therefore want avoid taking on that responsibility. Having said that, we do have many customers with solid experienced program managers who are assigned to the Office upgrade. They look at our solution and say, "this is a great tool to help identify risk and scope the project. They can scope down the project and identify, for example, key departments that are at risk and conversely, departments whose risk profile is very low. They can deploy to these groups right away and feel confident that they can roll out Office 2010 or Office 2013 without much problem. They can score quick wins internally for the upgrade team and then go back to the departments that are more risky. So, would you, accept a risk mitigation strategy of "fix on fail" or "let's not do any testing now and we will just worry about it after the fact?" Of course not, that is an unacceptable strategy. Yet, surprisingly, many organizations will do it.

CEOCFO: You mentioned diversifying a bit. What are you looking at potentially?
Mr. Allaway: We effectively help customers upgrade Office. The challenge for us is that we are tied to a Microsoft Office release schedule, so the business, in a sense, is very Microsoft dependent. In order for us to continue to grow from a revenue standpoint, we need ways to augment our product line and perhaps extend into other areas of Microsoft Office, such as tool sets that help users better leverage their use of Office. If you step back and look at it from a strategic standpoint, you would say, "yes, we need to continue to improve our product, make it better, faster and all of that good stuff, but are their some incremental, maybe new organic products that extend our reach into the enterprise?" We have developed a couple along the way, such as a tool that sits

on your desk top that fixes links, called LinkLab, and we have a portal that we have developed, called Click2Fix, which allows end users to nominate files for remediation. We have developed these products based on customer feedback. There are other things that we hear from our customers in connection with managing projects. Maybe it is more project management workflow automation tools, or something that we can build into our existing product. We are also considering ways in which we can use our experience selling into large enterprises to, for example, extend our footprint into different areas; not related necessarily to Microsoft Office. In fact, I would prefer that approach; to have a completely different product line separate from Microsoft Office related tools. This would be true diversification where we move away from Office dependence to focus on other tools that can be leveraged into the enterprise. I still need to protect my existing revenue stream, so we will augment our current products to get some consistent, but conservative organic growth. Then I will look at how to go to the next level of revenue expansion. It is going to come from true product diversification that will most likely be from a strategic partnership and /or an acquisition.

CEOCFO: What is your geographic reach?
Mr. Allaway: We are global. We are headquartered here, just north of Boston in Nashua, NH. We have an office in London as well, that supports the European operations. I think we have sold in almost every major continent. We are owned by a private equity company based out of Australia, so we have a footprint there as well. Our customers are the Fortune 1000 accounts, all the top global banks, etc. The geographical hot spots are obviously here in the US, especially in the

Northeast and then the major European financial hubs, such as London, Switzerland and Germany. For such a small company we have got quite a global footprint.

CEOCFO: Why should investors and people in the investment community pay attention to Converter Technology?
Mr. Allaway: For a couple or reasons. We are a highly profitable nimble software company that is looking to grow. I am making a statement that I want to grow organically and inorganically, but I will continue to need capital to do that, probably above and beyond profits the company now generates. Therefore, I will be looking outside, if the right opportunity comes along, to tie a capital raise with a target acquisition. We have a blue chip customer list, which indicates that we can sell to the world's largest companies. We have worked with the largest systems integrators and global software resellers in the world. We have quite an experienced sales and support team here. We really want to start to make a conscious push to grow more dramatically. For the investment community, we have some solid metrics such as; are you profitable? Yes. Do you want to grow? Yes. Are you willing to diversify? Yes. Those are all positive attributes for an investor, plus we are very nimble. We have got a lot growth to shoot for over the next 5 years and we have some very good resources to build on. That is the big advantage for this company. We have got big desires and we want to continue to get bigger. As I previously mentioned, we are owned by a single private equity company out of Australia, CPS Group. This single shareholder supports our growth ambitions, and they are open to working with external partners to maximize Converter's growth potential.

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