The solutions that businesses need tomorrow are present with Deskera today: Deskera CFO

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> "We have functional parity with all our main competitors, but for a much lower price."- Peter Fleming

CEOCFO: *Mr. Fleming, what attracted you to Deskera?*

Mr. Fleming: I am a qualified accountant and I had been in finance and management consulting for a number of years and I have spent much of my career using ERP and ultimately selling it as well as part of business solutions when I was with my previous organization (Capgemini). When I got to know about Deskera which is a leading cloud-based business software provider, and the kind of interesting work that it was doing with ERP on a SaaS (software-as-a-service) basis, it intrigued me sufficiently to look into the company a bit more. Therefore, I was introduced to the founder and CEO of Deskera, Mr. Shashank Dixit. I learnt a lot about what the company was aiming to provide and how the company went about targeting specific markets in Asia, in particular, the small and medium enterprises (SME) market. Here I would like to point out that the SME sector has historically been grossly underserved and had limited options in choosing ERP/PM/CRM/HR systems, etc. They have had to do things either semi-manually or invest in something like SAP or Oracle. There was really nothing in between. When I heard that there was a solution; not only working but that had been in the marketplace for quite some time and it was on a SaaS basis, my curiosity grew further. One thing led to another and here I am.

CEOCFO: *What do you understand Deskera has that allows you to provide a solution that really works and is useful rather than cumbersome for your clients?*

Mr. Fleming: Something that we have that probably others do not have is a fully integrated suite. Many software companies focus on one area. They just have ERP or HR or CRM and they do not offer anything else. That does not work well for a lot of SMEs. The "fifty- to hundred-user" kind of organization cannot operate like that. They do not want four or five different systems to run their operations. With our tagline **"Run Your Business"**, our integrated approach allows businesses to avoid the "six months and a million dollars to get it in" hurdle. They can basically sign up today and pay monthly so it does not require Capex for them and they can start running it almost immediately. This has been a big selling point for us. We are also much cheaper than our competitors. However, that does not mean that we are lower in terms of capability or functionality. Rather we are the best example of value for money. The value proposition to our customers, therefore, is fully integrated comprehensive solutions catering to SMEs at a price that is highly affordable, and because it is on SaaS, it is pay as you go. To kick-off all one needs is a web browser and an internet connection and it can be accessed anywhere anytime. Typically, of course once they start using the system and loading up their accounting and customer data, it becomes very sticky, so once they get over the initial hurdle of loading everything in, they are with us for a long period.

CEOCFO: *Are people skeptical as you are able to do so much at a lower cost?*

Mr. Fleming: Yes, you are right! That is a good point! I think that some customers are delighted initially and then they start to think, "Well, how can it be that we only pay such a small amount and get so much?" That is probably a good

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problem to have when we are talking to customers, because that is exactly what we want them to think: that they are getting a lot for a little. However, we do get that feedback and we are forced, obviously, to address that by saying, "Okay, let us just *prove* it to you in a way which satisfies you that you are getting a good deal."

CEOCFO: *In terms of industries what types of companies are turning to Deskera?*
Mr. Fleming: Pretty much all industries and companies of all sizes. When we roll out our client list it covers a number of manufacturing companies, sales companies and SME type companies. We have got large companies who use only a part of it. For example, Google and Intel are our customers. Obviously, most of the other companies that we cater to (SMEs in Asia) you would never have heard of them because they do not have a global name. They might have just thirty or fifty users, but just the fact that we can satisfy the needs of a large multinational like Google in some area speaks well of our market positioning. Of course, Google does not use Deskera products globally or use all parts of it, but the fact that they use it at all is a testimony to the good work that we are doing.

Our approach is that we try to establish at least one or two installations in all industries, so that we have reference customers across industries. This helps the sales team to pursue companies in a particular sector and say, "Well, if it works for them it should work for your business as well". This is the reason for our presence in varied sectors. For example, Deskera products are used by accounting firms, electricity companies, insurance companies and many more. It is really the whole spectrum.

CEOCFO: *Do you offer one solution and companies can choose the parts they want to use or do you have a variety of products and solutions, depending on what a company needs?*
Mr. Fleming: It used to be that we would have different pricing. Certainly, people can buy the system and use whichever parts they want. However, it used to be that the pricing forced them to decide what they wanted to use right out of the chute. We would price CRM with one price and ERP with another and usually one user does not use both. An accountant does not use CRM and a sales person does not use accounts payable, so it was fine. However, it becomes complicated when you get into certain organizations where there are people who bestride different departments and require to use different modules. We do not want to charge them or seem to be charging twice for the same set of usage. Therefore, we tapered that down to one charge for the whole system per user. Today we just count the number of users there are and then multiply by the price/user/month per contract that's it. Keeping it simple so they can run their business.

CEOCFO: *What features are most popular? What are you offering that is not getting the expected utilization?*
Mr. Fleming: We do have a variety of customers that require only one module. For example, a project management module is for assignments that have a defined time-frame such as construction company projects involving bridge or building construction that may take six to twelve months. In such a scenario companies are only interested in a particular module and not in others and end up using that module, even though there are links to accounting, HR and budgeting modules. That is probably one sort of under-utilization. However, most SMEs have customers, accounting, taxes, and other needs to cater to. Almost every organization, even as small as a ten-employee enterprise, has all of these basic functions. However, there are many features in the system which can be used when needed. Our software allows customers to grow in the sense that it adapts and caters to their evolving situations when there is growth, restructuring, or addition of new branches or activities in a company.

CEOCFO: *How do you help ease the fears of implementing a new system?*
Mr. Fleming: The assurance that the new customers get is largely because of our existing customer base. We have more than 3000 customers using the system across multiple countries, industries and in multiple languages. In the early days, such skepticism was an issue of course, because no one really wants to be the first to use any new software, especially one where they are going to have their accounting and their customer data and other confidential data potentially at risk. However, once we reached the stage where we had tens of thousands of users and three thousand companies using it, those sorts of concerns and fears that the system is not going to work or they would lose their information, went away. Deskera is known for its cloud-based products. That is how we generally operate. Some customers do request a private cloud or an on-premise service, but that is not really the way we promote it. We encourage the idea of companies having their information on public cloud so that they can actually save more money and expertise that are usually associated with having their own hardware. We no longer need to convince people that our product is safe. Our reputation has been earned over the years. These days, people generally see the cloud as an established mainstream option. That was perhaps not the case even four or five years ago.

CEOCFO: *Do you do much outreach these days or are you well known, with people coming to you?*
Mr. Fleming: We do substantial outreach. We have advertising mediums that range from advertising on buses, which is quite a talking point. We do Google ads and those sorts of things. We have a sales team who obviously do their own lead

generation and follow up. Substantially, our revenue does not come from direct sales. Quite a bit of our revenue, in fact the majority of it, comes through resellers. Therefore, we locate resellers and teach them about the system, teach them how to sell it and how to support it. Then they do their own marketing efforts, often with their own installed base in place. As I said, the majority of our business actually comes through those channels. Therefore, once we have found that reseller it takes a little while to get them kicked off, but once they get going they have been quite successful, both for us and themselves.

CEOCFO: *What is your geographic range today? Do you see that changing?*
Mr. Fleming: We have sold substantially in Asia and Southeast Asia, in particular. Singapore is our headquarters and we have probably about 15 percent of our revenues from Singapore. The remainder is in Southeast Asia. We have had sales in the Middle East, the United States and some in Europe, so it has been a fair dispersion. However, most of that still comes from Southeast Asia. Looking forward, we see growth potential in a number of markets. North America has always been in our longer term planning, but in the near term we are looking at India as being a significant growth opportunity. We have an established base of software development there. Because we are there we have certain privileges with the government which allows us to look at the Indian market in a different way than we have been to date. We have been developing the product there, but we have not been doing much selling there. Now we have seen significant opportunities of growth in the Indian market. There are obviously some challenges there. Like many developing countries, the Internet is not as stable and accepted as in the USA, Europe or Singapore, for that matter. We do see tremendous opportunities. There are tens of millions of SMEs, and we are not going to find them all, of course, but the opportunity is huge.

CEOCFO: *Why choose Deskera?*
Mr. Fleming: I will be repeating a little bit of what I said earlier, but first of all it is a SaaS offering, which we like to push as a differentiator in some respects and that leads to lower costs, lower risk, lower time to implement and so on. The system is also fully accessible from any device, so whether at the desktop or on a smartphone, users love the flexibility. Therefore, there is a fair bit of advantage of just being a "pure" cloud product, which many of our competitors are not. We offer a fully functioning integrated suite of software to cater to all sizes of organizations and which can adapt to customers' needs as they grow and mature. The solutions that businesses need tomorrow are present with Deskera today and they can transition their businesses to the next level. We are price competitive and benchmark our pricing against our direct competitors, so that we maintain our position of offering a significantly better value-for-money proposition. We have functional parity with all our main competitors, but for a much lower price. We are an established brand by now, where people can, as I mentioned earlier, feel comfortable in trusting us with their company data and information. Keeping all this in mind, we want to introduce Deskera globally in a big way. That is because we think the world is ready for a solution like ours.