# With Bring-Your-Own-Device-To-Work Being the Next Wave as a Way For Enterprises to Increase Productivity, Dizzion, Inc. is in The Right Market at the Right Time with their Cloud Delivered Desktop

**Technology
Remote Secure Data Access
(Private)**

**Dizzion, Inc.**

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**Steve Prather
Co-Founder, President and CEO**

**BIO:**
Steve leads the Dizzion team as President and CEO. He manages and oversees all aspects of the business driving the strategy and direction. Most recently, Steve was SVP of Strategy and Product Marketing at ViaWest for the last 13 years, one of the largest privately held colocation and hosting companies in the Americas. He was responsible for strategic initiatives, product marketing, pricing, analyst relationships, strategic customer relationships and supported merger and acquisition activities.

Before joining the ViaWest management team, Steve served as the Manager of Network Services at RMI.net, one of the early public Internet Service Providers and was the Project Development Manager for VR1 Entertainment, working in conjunction with Microsoft to launch a massively multiplayer Internet gaming application in 1996.

Prior to VR1, Steve was the Manager of Network Services for Online Network Enterprises, an early Internet Service provider in Boulder Colorado and was the North American Operations Manager for Vitel International where he managed six nodes in North America and Canada.

In his free time, Steve enjoys riding his motorcycles throughout Colorado and the Rocky Mountain region.

**Company Profile:**
Dizzion's Cloud Delivered Desktop enables employees to securely access their applications and data from any device, anytime, anywhere while enjoying the same access, security and productivity as they do in their office environment.

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

**CEOCFO:** Mr. Prather, what is Dizzion all about?
**Mr. Prather:** It is digital fission. We are in the virtual desktop infrastructure space, what we call 'cloud delivered' desktops. We are working with medium to large sized enterprises. We are assisting them in the support of the 'bring-your-own-device-to-work' strategy or what the industry is calling the "consumerization of IT". We are also helping them with control parameters and security attributes around how users access company information, intellectual property and how we help manage users having proprietary data at rest on devices that are not controlled by the internal IT organization.

**CEOCFO:** How do you accomplish your goal?
**Mr. Prather:** We have built a technology platform offering cloud delivered desktops or virtual desktop infrastructure as an all-inclusive managed service. All of the necessary software, hardware and services supporting the 'bring your own device to work' strategy and allowing consumer grade electronics into a larger scale organization. We are able to turn all of that into a service for our customers, outside of the end-point selection for the device that the end-user chooses whether it is a tablet, a smart phone, an ultra book, a net book, a laptop, etcetera.

**CEOCFO:** How prevalent is the use of non-company equipment and what is the anticipated growth rate?
**Mr. Prather:** BYOD is a recently new phenomenon over the last one to three years for most businesses. There are very large companies that bring-your-own-device-to-work policies offering a stipend to users to bring the device of their choice assuming it meets a certain set of capabilities. However, for most mid to large sized enterprises it is something that they are just starting to get their arms around. Creating policies and procedures for and beginning to offer to certain subsets or profiles of users where it makes sense. I do not have an industry statistic of what the adoption rate looks like today but I would say it is less than 20% in our market segment.

**CEOCFO:** What is it about your software technology that allows you to put everything together?

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**Mr. Prather:** Some of it is off the shelf and we have developed a portion of the technology as well. Virtual desktop infrastructure software has been available for eight to ten years. Large-scale enterprise customers, thousands of user companies have enjoyed the benefits for a number of years. It has not been widely adopted into the market below the Fortune 1000, based on cost, complexity and management challenges. The technology has reached a level where the capabilities work well for smaller businesses. We have turned it into an all-inclusive managed service negating a number of the challenges that have caused smaller companies to not consider the technology. Therefore, a company like Delta Dental of Colorado, doesn't have to go out and procure the hardware and software, perform the configuration and ongoing management to gain the many benefits. Our market opportunity is under the Fortune 1000 but above small business. Focusing on companies with hundreds to a few thousand users where they are interested in supporting bring-your-own-device-to-work programs for their users and need to support a high level of security and control around what users can do and what users can access.

**CEOCFO:** How is what you do secure? What are the special challenges? How do you protect against an individual's device potentially harming others?

**Mr. Prather:** There are a lot of issues in all of those arenas. I will say first that security is a paramount concern. Therefore, we use enterprise grade infrastructure for security from physical firewalls to intrusion detection and high-level anti-malware software. The technology works by creating a 128 bit encrypted SSL connection from the users endpoint to the users cloud delivered desktop on our server(s). The connection is highly secured and meets or exceeds a number of industry security standards. We are not using traditional VPN technology. We

are utilizing secure transaction technology much like you would in a credit card processing order with an online retailer. What we are primarily focused on are what we call control attributes versus security. The best way to secure a user is to control what they have access to and what they can do. Things like; a user can and cannot print, a user can or cannot do a screen capture, a user can or cannot connect a USB drive. In a call center with a remote agent scenario around a customer care organization, they may want to go as far as say that a user coming in for his or her shift should not be able to login prior to the shift start time and the user should be

> If our bet is right and our investors and customers bets are right, this is going to be a massive market. I do not think it is unrealistic to believe that over the course of the next five years, we will see millions of end user corporate devices transition away from corporate provided to bring-your-own-device-to-work and consumer grade electronics. We are going to need technologies and solutions like what we offer today to control and capitalize on this shift. With our product roadmap we plan to keep pace with this. Hardware manufacturers are innovating faster from a technology perspective than we have experienced in IT in the past. It is going to cause hundreds of millions of users to migrate. That may just be one of the largest, if not the largest investment opportunities that we have seen in IT in a number of years. - Steve Prather

automatically logged out at the end of the shift. Those control attributes, rather than security, bring a lot of value to how a company can control where data is, where data is at rest, whether or not it can be viewed and whether or not it can be transferred. Those are the drivers that are pushing the technology and driving adoption. Most companies are using enterprise grade security at the edge of their networks and are using high-level antimalware and other security components. What they have the most difficulty in is the control attributes around what users have the ability to access.

**CEOCFO:** You are selling the management services. Now, is there an

individual device that would be on each person's desk for example?

**Mr. Prather:** Absolutely, an end point, whether it is on someone's desk or it's a bring-your-own-device-to-work device that they provide. It could be a traditional laptop that is configured to lock down access to the local device and only be able to talk to the cloud delivered desktop session. It could be a desktop or what we call a 'thin client', a device designed specifically around this technology. Looks like a laptop but actually has no local storage and a limited local processor and all we use it for is the screen and keyboard. It could be what we call a zero client which LG, Google, Wyse and a number of other folks build which is typically a small hardware device and screen that has the imbedded technology to connect to a service like ours integrated, there is not a traditional computer on the users desk. It could be a smartphone or tablet. It can be any device with the Mac, Windows, IOS, Android or Linux operating system.

**CEOCFO:** What is the competitive landscape in your industry?

**Mr. Prather:** The large-scale integrators like HP, IBM, ACS, etc. have all had virtual desktop infrastructure practices inside their businesses for a number of years. They have typically sold hardware and software to the customer; configuring the solution and offering the management as a service fee. These providers have typically focused on the global 2,500, which provides the monetization opportunity to do very large-scale infrastructure. Underneath that, there are a handful of competitors. Desktone and Dincloud come to mind. Onlive, which I am sure some people have heard about recently because of the Microsoft software licensing issues they recently experienced. A number of the data center hosting providers, maybe eight or ten of them, have an internal offering typically outsourced to someone like Dizzion. Each of the markets from a city perspective; Den-

ver, Dallas, New York, etc, there is typically a local systems integrator selling hardware and software. They will come out and do the configuration, much like HP and IBM from above but on a much smaller scale. Then they will provide a management layer on top. However, if you look across the US for companies like Dizzion, there are actually very few of us. It is a burgeoning market and a large opportunity.

**CEOCFO:** How do you reach potential customers?
**Mr. Prather:** Today, direct sales is one method. We are working with a handful of data-center colocation and hosting providers in the markets that we have experience in. My other two founders and I actually come from that market after spending 12 plus years at ViaWest and Rackspace. Therefore, we know the space very well. We are working with the telecommunications providers, technology resellers and unified communications companies. We are working as well with the local systems integrators who are typically selling hardware and software into the mid and large enterprise markets in their geographies. We provide them and their customers another option for virtual desktop infrastructure rather than having to capitalize all of the components and go through a very complex installation and configuration. We provide them the opportunity to outsource it as a utility offering.

**CEOCFO:** Are there particular industries that are most appropriate for Dizzion?
**Mr. Prather:** Really any business in a highly regulated market. Financial services fall into this. Transportation, healthcare, and then anybody who

has a large scale customer care and/or field sales organization. Tens, twenties to hundreds of people working from tablet devices or laptop devices who need access to information on a secured basis, or anybody with call center agents, where they typically are powering work-at-home agents to do technical or customer support for their customers.

**CEOCFO:** What is the financial position of Dizzion to allow you to pursue your goals and continue building?
**Mr. Prather:** We were founded in 2011. We were originally self-funded by the other two founders and I from our inception into early 2012. We completed an angel-financing round in late May. We have revenue and paying customers with a very strong sales funnel and a lot of interest. Things look very promising.

**CEOCFO:** What are the biggest challenges that you need to be on the lookout for and how are you ready?
**Mr. Prather:** Anytime that you are in a new market segment, albeit not necessarily a new market as it relates to virtual desktop infrastructure for large scale enterprise, these concepts are new to the mid-market. It is a bit of a missionary sale. Part of our responsibility is helping customers understand the opportunities presented by bring-your-own-device-to-work and to be able to use consumer grade electronics in a business environment and the potential savings it can create. There are always thoughts, questions, and concerns. There is a huge volume of interest in the IT space around BYOD. I would say the next largest area of interest is in the regulatory and compliance space. IT technology has historically kept up well with security and compliance business

drivers. They are about on par now in my opinion. I believe that the regulatory and compliance drivers are going to accelerate and probably get ahead of the speed of IT enhancements and innovation. Our technology help in these areas. The technology is sound and functions well. Hardware is hardware; it is commoditized and continues to get less and less expensive. As the market grows and people become more aware and comfortable we will see the demand exponentially grow for us.

**CEOCFO:** Why should investors put Dizzion on their radar screen?
**Mr. Prather:** It is because we are in a unique space. There is a huge amount of interest in the technology and what we are doing. I would not say that we are tremendously early; however, we are early in the adoption phase. If our bet is right and our investors and customers bets are right, this is going to be a massive market. I do not think it is unrealistic to believe that over the course of the next five years, we will see millions of end user corporate devices transition away from corporate provided to bring-your-own-device-to-work and consumer grade electronics. We are going to need technologies and solutions like what we offer today to control and capitalize on this shift. With our product roadmap we plan to keep pace with this. Hardware manufacturers are innovating faster from a technology perspective than we have experienced in IT in the past. It is going to cause hundreds of millions of users to migrate. That may just be one of the largest, if not the largest investment opportunities that we have seen in IT in a number of years.

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