CEO CFO

GroveWare TECHNOLOGIES

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As one of North America's leading Providers of Mobile Solutions to Enterprises, GroveWare Technologies, Ltd. is helping American Businesses and Institutions Enhance Productivity and Improve Profitability

**Technology
Mobile**

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**Harry Achkarian
CEO**

BIO:
Hrair Achkarian, Hrair founded GroveWare Technologies in April 1996 and has spearheaded the business operations through multiple releases of its software products and has firmly entrenched the GroveWare Technologies name as a reputable software developer. Currently, Hrair maintains responsibilities for all business development, product development and customer support issues. Hrair is a graduate of Montreal's McGill University with a Bachelor of Commerce. He has over 15 years experience working within the software development industry.

Company Profile:
GroveWare Technologies, Ltd. (OTCQB:GROV) is one of North America's leading providers of mobile solutions to enterprise, connecting workforces by mobile device to a wide selection of ERP systems and helping American businesses and institutions to enhance productivity and improve profitability by mobilizing and automating business processes. Grove-Ware's showcase software, MobiTask, is a wireless client application compatible with all smartphones and tablets including: iPhone®, iPad®,

BlackBerry®, PlayBook™, and all devices using the Android™ or Windows Mobile® wireless platforms. MobiTask mobilizes employee tasks in the field and connects them directly to the organization's enterprise software systems. MobiTask allows organizations to rapidly and cost-effectively deploy mobile solutions for workers on the go. MobiTask provides the convenience of using dynamic electronic forms created using GroveWare's eXFORMA™ middle-ware to collect field data, manage workflow, HR and CRM tasks wirelessly, store documents locally and integrates quickly with most ERP systems and back-end databases on any application such as Oracle® e-Business Suite™, PeopleSoft™, SharePoint™, Kronos® Workforce Central™, MS Dynamics™ or SAP®. Users can remotely and wirelessly clock-in/out, approve and initiate workflow tasks, or use dynamic e-Forms for inspections, licensing and data collection all from their smartphones. GroveWare is especially targeting the government, construction, healthcare, and law enforcement sectors and its successes to-date together with a rapidly growing interest from these and other quarters of business, provide exciting growth challenges and opportunities for the company.

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

CEOCFO: Mr. Achkarian, would you tell us about GroveWare Technologies?
Mr. Achkarian: We are a software company that specializes in automat-

ing and mobilizing business processes by moving business functions and applications from back-end systems to mobile devices such as iPad, iPhone, other smartphones and tablets, etcetera.

CEOCFO: Who is using your services?
Mr. Achkarian: We are a horizontal play, so we have different verticals that we service. The common consideration is an enterprise that has a large contingency of outside workers. For example, in the government sector, there is the Department of Labor or the Department of Health and Human Services, where they have a large group of field workers, case workers and inspectors. What is very specific to government is they need to capture data, to do interviews and inspect facilities. That is one group. The construction area is another industry where we have a large group where 80 percent of the workforce is out in the field. Sales organizations and healthcare are other verticals where we find outside employees. In healthcare for example, all of the visiting nurses need to access and complete patient care reports remotely. In enterprise, we have sales teams that are constantly communicating with their back-end ERP systems for inventory status, order entry etc.

CEOCFO: What is special about GroveWare?
Mr. Achkarian: There are a couple of key distinguishers that make a difference. We did not start out just to build a mobile app. You have dozens of companies that build one specific app to meet one specific need. What we did is we started in 1999 to build an

entire engine that automates business processes on the web. In 2001, we extended it to a Windows technology tablet and in 2005 we moved it to Blackberry smartphones. Everything became really big when the iPad was launched. We built a one platform for all the devices so that, today, we can have our application running on any device, whether Android, Apple, Windows Mobile or Blackberry as one application. The second key component is that our middle ware is integrated to any enterprise application. It has all the hooks to connect to backend existing systems. We compliment what organizations have today by connecting or by building the connections to their backend systems. For example, if a client is using Microsoft Dynamics, we have the drivers to connect, read and write into Microsoft Dynamics or Oracle or SAP or any other third-party application. This is how they do business. Their invoicing or accounts payable, order entry, payroll, HR, inventory etc. everything is maintained on one or more different systems. We provide our customers with the whole infrastructure to connect to those systems and the mobile app to have them deployed without providing a single line of code on the mobile devices. That is very compelling for many organizations. If they are bringing in GroveWare application then they can seamlessly, in real-time, connect what people are doing it in the field to their back end ERP systems.

CEOCFO: What is your sales model?
Mr. Achkarian: Our sales model is a combination. Our key business driver is our partnership. We build technology partnerships with hardware manufacturers and developers of ERP software and we work with them to be ahead of the curve so that our platform always meets the latest releases. We then build partnerships, and this is where the majority of our business is coming from, with the wireless carriers. In particular, we have developed a robust and fast-growing channel through Verizon. Verizon Wireless has been an excellent partner of ours, because what we provide compliments what they have

in the marketplace. It compliments and helps Verizon sell tablets because the smartphone market is saturated. Lots of people already have two phones. Now the carriers are looking to increase revenue from their existing accounts, especially their commercial client base, by providing value-added services. This is where we come into the picture. Today their clients are buying tablets for their businesses; tablets without an application. Tablets without a connection to their business applications have very limited use. Because GroveWare's MobiTask software solves that problem, our Verizon partnership has been very solid. We walk together with the client. At the end of the day, we still provide the service directly to the client, but the introduction to the customer is through Verizon.

CEOCFO: Are your customers aware of the GroveWare brand?
Mr. Achkarian: They are very aware.

> **We are a software company that specializes in automating and mobilizing business processes by moving business functions and applications from back-end systems to mobile devices such as iPad, iPhone, other smartphones and tablets, etcetera. - Harry Achkarian**

Some people tell us we should open an office right next to their office. Our clients understand that our key driver is to deliver a solution that is completely and immediately functioning. Our solution is deployed not simply by delivering the software, because it has the integration component. Therefore, there is a lot of dialogue that goes on between the client and us. Part of it is to understand their real business need so we are required to do some business analysis. If you think about most of the integrators out there that work with customer sales, they make much of their money by spending a lot of time with their customers doing integration planning or business analysis. We do that in a much condensed version and teach then teach the customer how to take our software "out of the box" and deploy it themselves. Therefore, we do basic business analysis, solution deployment and training for the client. As we go forward, we are implementing more and more of these quick, but

effective, solutions that take days and weeks and not months and years to deploy and at a fraction of the cost.

CEOCFO: Are there any services or pieces that you do not have available today that you would like to add to the mix?
Mr. Achkarian: Yes. One of the things that we do not have, and this is where we get third-party solutions, is asset tracking. That is machine-to-machine and it is a very competitive business. It is basically a product that you can install on a truck, vending machine or a device and that transmits the location and nature of the transaction. Then there is a "dashboard" that indicates exactly the activities coming from that asset. That component we do not have. I do not see us getting into it in the near future, but as a long-term goal we will be very interested either through acquisition or development.

CEOCFO: Are most of your customers migrating to another system or are they new to the whole concept of getting everything together?
Mr. Achkarian: This business of adopting tablets and smartphone technology as critical tools for their operation is new. Business engineering happens as we walk into their place and do analysis. A perfect example is a professional services client that does inspections and grading audits for lumber producers or anything to do with wood production. This company has been doing all their business for the last sixty years with paper and pen and mailing all their reports for transcription to a central office. Now, when we take that operation and say now we are going to give it to you all on tablet, this is re-engineering and reconfiguration of the entire business process from a paper-based one to an automated one. With automation, you have all these new options available. An example of that is self-describing all the detail about a product or an accident or a defect, you can just snap a picture and that picture is part of your report and you can use your finger to annotate on the picture to say this is the defect in the product. It means more than any part

of the written document that they can store now.

CEOCFO: How do you keep up with every new idea and means of communicating?

Mr. Achkarian: You have to work three dimensional. In each dimension one of them is what is happening today; who are the clients, how are the clients doing, what do they want. The second dimension is where we are heading in terms of this year's plans and with new hardware releases etc... The third dimension involves asking what the technology and the customer need is going to look like a year or two from now. We try to explain to our team that that we do not want them to give us something that we can only use today. Here is where we want to be a year from now and anything we do, even if it takes an extra week or month to develop, let us make sure that it fits that three-dimensional momentum that we are trying to build for ourselves. You are always looking at it and asking yourself how business is today, how is the cash flow, how is the operation running or are we falling behind acquiring new clients, how many new salespeople have we trained. All of that is a single dimension. Then what are we doing in terms of what is coming next. That is why our partnerships with equipment and platform manufacturers, are very key for us. We just received a call from Microsoft which we ignored for a while. We were a partner with them but we ignored them for a while because there was not anything interesting for us. Then they asked us, "What about Windows 8, have you done something with it?" And we said, "Funny enough that you asked, we are just experimenting right now to see if we want to release it on Windows 8 next month." It is always challenging, but that is the thrill at being on the edge. We have more technology capability than most customers can consume right now or use. But, in the future, they are going to ask for it, so it is there and we are ready.

CEOCFO: What is the financial picture like for GroveWare?

Mr. Achkarian: Today is much better than six months ago. It is easier to get funding for us because we are listed on a public exchange. Therefore, it is easier for us to get as much funding as we need. Our plan is for a major recapitalization. We are in the market for a recapitalization. The single purpose for raising more funding is that we have extraordinary momentum in the marketplace and we want to take advantage of that. To our benefit, there are a lot of quality people that are looking for jobs. We started in June and we are going to be hiring aggressively for the foreseeable future, because we need to provide cross-country coverage. In other words, we are doing very well in terms of getting the capital we need. Our sales activities are generating enough cash flow for the operations so we are looking good.

CEOCFO: What surprised you most as you have developed the business?

Mr. Achkarian: That when we struggled, we did not struggle because of the quality of our technology and we did not struggle because we were mistaken about what we thought the market would use. This is going back three years ago, but we struggled because the market was not ready. By that, I mean the applications we were installing on Windows tablets that cost businesses $2000 each. The market was not ready to buy a massive amount of these tablets. But now the tablet prices are very low, their ability to communicate wirelessly has vastly improved and their functionality is exceptional. The adoption of tablet technology is exploding the in enterprise market. For example, we can package a solution for a company of ten people or ten thousand. With Verizon, we have this ability to package Mobitask with inexpensive, but very robust devices with an inexpensive data plan that companies can easily take advantage of. We have multiple ROI analyses for large and small entities. We sit down with customers and show them that in three months this deployment pays for itself. The ROI has come down to three months from six months and that is no longer a challenge, it is a thrill to the customer and an easy value proposition for us to sell.

CEOCFO: Why should investors pay attention to GroveWare?

Mr. Achkarian: Because they have not seen anything else in the market that even compares. Our real growth is just beginning. We can be quadrupling our sales for this upcoming year. We have the ability to finance, so access to capital is there. The market for tablet technology at the enterprise level is just opening up. One of the key features for GroveWare is the channel that we are using. This channel has opened up five thousand salespeople to resell our solution and that channel is Verizon. Our key requirement is to train, train, and train Verizon's sales teams. We train their data managers, solutions architects, account executives and they are taking the word to the market. Verizon has ninety six million users and they are in every large, small, mid-sized organization in the United States. They are with every local, state and federal government agency. They have taken us in different areas of the economy. We only have to perform for them and our performance is only in the first act of a very long story.

CEOCFO: What should people remember most about GroveWare?

Mr. Achkarian: One of the key things that we tell people is we help organizations, companies and governments comply with their green initiative. This is very important, because we show them how they can make money implementing green technology. That means not using paper because paper costs. Every time people use paper forms, it is expensive. Microsoft calculated that on the average the paper process cost is in the $125 to $150 range for every document processed. You then have all the storage and all the waste. This technology eliminates and helps them drive electronic processes and to move away from wasteful and expensive usage of paper. The green element is predominant and we push this throughout the government space. You have initiative but you also have a budget to meet. Here are ways of delivering that green initiative, improving productivity and reducing cost simultaneously.

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