



# CEOCFO

## Interviews & News!

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### Innova Has A Piece Of Software That Can Run Virtually Any Kind Of Mechanical Device

## INNOVA

Robotics & Automation, Inc.

Technology  
Technical & Systems Software  
(INRA -OTC: BB)

Innova Robotics & Automation, Inc.

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**Walter K. Weisel**  
Chairman and CEO

#### BIO:

Currently the Chairman and Chief Executive Officer of Innova Robotics & Automation, Inc., Mr. Weisel oversees all operations and activities for Innova and its subsidiaries: Robotic Workspace Technologies, Inc. (RWT), Innova Robotics, Inc., CoroWare, Inc., and Altronics, Inc.

Driven by a passion for technology that was born out of his service in the U.S. Navy working with guided missile control, Mr. Weisel spent the first 10 years of his career with Cincinnati Milacron, Inc., working with machine controls and computers. He then went to work for his mentor, Joseph F. Engelberger – the “Father of Robotics” – at Unimation, Inc., the first major industrial robotics manufacturer in the U.S. Mr. Weisel helped drive a ten-fold increase in revenues for the company by managing key sales accounts with blue-chip customers such as Ford and Chrysler, and he was instrumental in the design and build-out of the company’s groundbreaking Puma robot. Mr. Weisel moved to Prab Robots, Inc. where he ultimately served as President and Chief Executive Officer, transforming Prab from an obscure materials conveying company into an international organization and leader in the fields of industrial robots and automation. Prab acquired Unimation, Inc. along with several other companies in the U.S. and Europe. By 1990, Prab was responsible for the largest installed base of robots in North America (over 10,000 robots). While under his direction, Prab grew 700 percent and completed a successful IPO. While at Prab, Mr. Weisel also formed and headed a subsidiary, Prab Command, Inc., which introduced the world’s first 100 percent voice-activated robotic and computer workstation for the severely disabled, including quadriplegics. The company won many awards, including the Product of the Year Award for the State of Michigan and the prestigious National Product of the Year Award for the United States. In 1990, Mr. Weisel was awarded the Joseph F. Engelberger Award, which recognizes the most significant contribution to the advancement of robotics and automation in the service of mankind.

In 1994, Mr. Weisel founded Robotic Workspace Technologies, Inc. (RWT™) and introduced the world’s first 100 percent open architecture PC controller for robots and other automated devices. In 2004, Mr. Weisel took RWT public through a reverse merger and today the company is known as Innova Robotics and Automation, Inc. (INRA:OB) with RWT as a subsidiary. In 2005, the Innova Robotics subsidiary was founded; CoroWare was acquired in 2006, and Altronics was acquired in 2007.

#### Company Profile:

Fort Myers, Fla.-based Innova Robotics & Automation (INRA.OB) pioneers innovative control and communication solutions that make robotics and automated systems more productive, powerful, and profitable for customers in the telecommunications, manufacturing, aerospace, research, and service industries. The company is chartered to continue expanding its growing suite of technologies through acquisitions and organic growth. Innova operates through four subsidiaries, Robotic Workspace Technologies (RWT), CoroWare Technologies, Altronics Service, and Innova Robotics, which offer convergent technology and expertise for greater functionality and ROA.

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**  
[CEOCFOinterviews.com](http://CEOCFOinterviews.com)

**CEOCFO:** Mr. Weisel, what was your vision at the beginning of Innova and how has that transpired?

**Mr. Weisel:** “After spending quite a few years in the robotics field and then the controls field, I thought back in the 1980’s and early 1990’s that Bill Gates would make it and Intel would make it. I also thought that we would see the day

that the PC that we know today, would make it on the factory floor and in fact would be the heart of much of communications networks internationally. Thankfully, I was right.”

**CEO CFO:** How does Innova fit into the picture?

**Mr. Weisel:** “We started the company in early 1990’s. We spent a lot of time and money with good engineers developing a universal or stand-alone programming language based on Microsoft that would run on a PC and didn’t really care what kind of mechanical device that it talked to. The way we thought we would do this was to describe the mechanical device mathematically and then tell the program which device we wanted to run. The program would pull up the math that would define one type of robot arm over the other multiple arms and it would direct what we call the tool center point which is the tip of any piece of tooling. It would direct the tool center point to a place in space where we would teach it to do work and it would be reprogrammable. That is what we developed, when the rest of the world was saying that it couldn’t be done. We have continued to plow forward and that is how we were issued the original founder and pioneer patents. Today we apply our software through the same concept to anything you want to call a robot or mechanical device. One of the things that I had to learn after many years in the field of robotics, making cars and handling the hot parts and things like that, is that people were beginning to call robots more than just robotic arms as we have known them for the last twenty some years. An extreme example is today a smart Pepsi Cola machine that actually monitors how many cans are left on the racks and then when it needs to order more, can go across the wireless network and place an order with the delivery person for Pepsi Cola. We have contracts that dealt with running more than one arm. We were blessed with a single-source contract from NASA in 2005, where they approached us based on our success of our open PC control system; they wanted us to develop a controller that might be used someday in a space

program to run multiple arms that they would send up to repair the telescope. We satisfied that order, not that they have flown the telescope; that is in the future. Then they gave us another order in 2006 which we have also satisfied. For NASA to give anyone a single-source contract, that is a huge testimonial to the capabilities, sophistication and the strength of the company from an engineering and marketing standpoint.”

**CEO CFO:** Is it the program or the people that are doing the further development? Which makes the difference?

**Mr. Weisel:** “It did in reverse. I picked the best people that I could, then got the funding and an office complex. We put these people together and I said, “this is what I want you to develop; here is where I want it to go.” I monitored that on a weekly and monthly basis. I answered questions and gave them challenges, so in

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the beginning it was strictly people. Once it became a reality, then it became the company and its ability to get funding, and attract people like Ford and Toyota, Oakridge National Laboratories and some of the other companies that have used the product since 2000. Then it turned back to the people again as we see other companies coming forward with the realization that PCs really do work and there is the speeds; they will do work across everything from medical to industrial. Now it is the people again and it is back to funding and it is the lead that we have by having been on the front end of this development from the very beginning.”

**CEO CFO:** Is there much competition in the robotics industry?

**Mr. Weisel:** “Competition for the mechanical arms themselves has been a battle for a number of years. The robot industry itself, if you were a supplier of the arms, has suffered greatly from look-a-

likes. For instance if you look today on the scene, this is a good example, people call our company and say “we have 15 or 25 robots in the back room that we are not using. Even the secretary or receptionist can tell you what color they are. The market internationally now is dominated by a few players; if it is yellow, it is one particular manufacturer, if it is orange we know who it is. We simply ask the age and the model number because the robot arm itself has been copied so many times by the Japanese, the Koreans, and the Chinese.”

**CEO CFO:** You have grown by acquisition in the past, is that something you see in the future as well?

**Mr. Weisel:** “Very much so! If you go back in my industry, I bought companies from AMF, the people that make ships and bowling balls. I acquired the animation activity and of course the founding of the robot industry, I acquired them from Westinghouse Corporation. Just in the last year-and-a-half here at Innova, we acquired a group that is called CoroWare, they are very successful and closely tied to Microsoft. In fact most of the employees are previous Microsoft employees. Today we have about 30 of those employees that actually work near the Microsoft campus. A few months ago, we acquired a company just north of here in Port Charlotte, Florida. We integrated the new development work with the work that was done in the past by the robotic arms and they are in a prime position to enter into the replacement control market in the machine tool field. Our CFO is another example, before he joined us he is credited with about 70 acquisitions and deals through out his career. We have a top management team that knows how to get it done. The key thing is we want to make sure every acquisition is not broken when it comes to the table, that it can have an interface with one of our other subsidiaries. I call it the hand in glove acquisition; everything must fit together, and that is how we build strength with the company. Right now to date, we have four operating subsidiaries and each one of them has an interface and some capabilities that exist between one another.”

**CEOCFO:** It sounds like you will be the go-to place for robots if you aren't already!

**Mr. Weisel:** "You got it. The robot industry today is dominated by who is the smartest in the controls business. We saw that probably fourteen or fifteen years ago; an arm is an arm, is an arm. You can tell them by color. It is the brains of the arm that defines the capability of the arm itself. For instance, we can run multiple arms together operating off one control platform and they can talk to one another by external sensors, by vision or tactile sensing. I recently gave a speech in Pittsburgh, where Microsoft decided that they would enter into the robotics field with the software platform, and I gave the speech at the same conference that said, "Let me define the new robot industry for you. The robot industry is no longer dominated by who makes the strongest arm, it is dominated by who has the most intelligent brain and that is where we are driving the company. We do not care so much anymore where the action is on the arm, whether it be an unmanned vehicle from Afghanistan, whether it be an unmanned aircraft. We do have a contract with an unmanned aircraft company, I am not at liberty to give their name, but it has been some time that we have been working with them. Our patents include medical robotics; you hear a lot about the da Vinci for example, where people are doing hands-off kinds of surgery. It is a look across the platform of various market opportunities. What is really at the heart of all of them is the PC and the software to command motion."

**CEOCFO:** Are you looking to expand internationally as well?

**Mr. Weisel:** "Yes, in fact at this point we have Lloyd Spencer, president CoroWare on the ground in Europe opening up operations over there. That will be mainly for the kind of work that CoroWare does. That is enterprise-wide solutions with software. Where that also has play, is for example with a company like General Motors, which has plants all over the world. Their ability to know what is going on from plant to plant has been greatly expanded by the use of the Internet. With our control systems and software for example, we are able to dig down into the very ground floor of a GM

plant or a Ford or Chrysler plant, or anything else. We can interrogate and tell if a simple limit switch is open on a particular machine that may have stopped in production. If Bill needed to pass that up the line to a group manager, or the line Forman, or if it is a big enough stoppage for instance if you make 100 washing machines an hour and those machines are not coming off the end of the line, you want to know why that 100 foot line has stopped. The ability to diagnose that today instantaneously with the PC controller and enterprise wide solutions, is just a luxury that we never had even ten years ago. I see the speed of PCs, the interchangeability of communications through all the various networks as a major way of boosting production and to boost the effectiveness of U.S. manufacturing and anyone else that wants to take advantage of it. We believe Europe could be a big market for us."

**CEOCFO:** Are you selling the product, licensing the product? Where is the revenue fit?

**Mr. Weisel:** "We do both. In the beginning when we formed the company it was only hardware. We found a way to make more of that hardware and control systems respond to more software. Today, with respect to what we do, it is upside down. We are heavier in product that is commanded by software so therefore we license it. As you know, from the news release we put out recently, which was kind of an overview of our first six months of operation, we won a fairly large federal trade secret case. It was not over the fact that inside of our controller there is a PC, it is the marriage between the PC and the software that really opens up the door for things to happen. I see that the smarts that are applied today with mechanical devices, comes from software that is being directed by PC."

**CEOCFO:** What is the financial picture of Innova Robotics?

**Mr. Weisel:** "We have come through disastrous times and good times. We were severely hurt by 9/11 and I had allowed Ford Motor Company to buy 10% of our company. When Ford was hit after the twin towers and we had large numbers of orders on our books and more promised, I got a call from a vice president of Ford

who was on our board of directors at the time and he said whoa, I have to cancel these orders. I said no you cannot do that and he said I have to because next quarter we are going to report a \$5 billion loss. We had just built a building to manufacture controllers so we got hurt big time. We kept the company alive up to 2004, and then we got realized a restart, raised more money, went public by merging in HYTT and got going. We have had our ups and downs and have been hurt but we are a survivor and we are here, growing and predicting that 2007 will be profitable for us."

**CEOCFO:** Why should potential investors be interested and what should they realize that might be overlooked when people are first checking out Innova Robotics?

**Mr. Weisel:** "I have had the opportunity to present to groups of investors in Boston, New York and Boca Raton. When you give a speech on robotics you find out that the audience fills up quickly. Robotics I believe is one of the top five investment opportunities for the future, the problem is most people do not know what robotics are. Robotics are typically looked at as the I-Robot movie, stuff like that. We are a long way from being there although there are some significant advantages of using software for those types of applications. We are sitting here as a company with a piece of software that can run virtually any kind of mechanical device, interrogate virtually any kind of a limit switch or whatever. What people need to understand about our company is where we are with robots, what the real possibilities are and when you invest in a company like ours you are in the real world. We are not talking about something three years from now that are going to offer a machine like a Honda walking robot. To give you another example, I got on the plane to California and I sat next to someone that asked what I did and I began to explain. It ended up being a person that was familiar with robots in the auto industry and he said "Oh my gosh, how did you get caught up in that mess?" Well on the way back I came out of Los Angeles and sat next to somebody on the plane that asked what I did and they said "Oh my gosh, that has got to be so exciting, you are on the front end. So it

is all perception. The hobby market is an example, it may be a bunch of kids playing around with robots, but it is the next generation that expects to see those kinds of devices in our factories, hospitals, and everyday living. We are getting closer

and closer to have those kinds of opportunities.”

**CEOCFO:** What should people take away from this interview?

**Mr. Weisel:** “I think they should look at the real value of the company based on

the markets that we have the capability to serve. An understanding of robotics, you have to get your eye off of the R2-D2 and think about the power of the software that runs robotics and that is where you find our company.”

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