



CEOCFO

Interviews & News!

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Alphinat Is Focused On Resolving Process Issues For Government And Large Organization While Bringing Down Costs By Enabling Them To Make It Easier For Customers To Access Information And Forms And Get Things Done



Online Services
Software
(NPA-TSXV)

Alphinat Inc.

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Philippe Lecoq
President and CEO

BIO:

Mr. Thompson is the co-founder and CEO of Towerstream. Thompson has created a new model for delivering reliable bandwidth to the commercial market. By leveraging second-generation multipoint fixed wireless technology, Towerstream has built an expandable network that is 99.999% reliable. Thompson represents Towerstream in the

WiMAX Forum and is frequently quoted in media because of his expertise in WiMAX, Fixed Wireless, and 802.16.

Prior to founding Towerstream, Thompson was founder and Vice President of Operations of eFortress, a privately held ISP. Under Thompson's leadership, eFortress became one of New England's largest ISPs. Thompson was responsible for eFortress' growth to 20 markets across the country and he oversaw technical integration during nine ISP acquisitions.

He holds a BS in Electrical Engineering from UMASS.

Company Profile:

Alphinat Inc. develops, markets and supports software technology that allow non-technical managers to configure and deploy Web applications and utilities to better serve clients. Its software suite simplifies, accelerates and improves interactions with all business constituents, resulting in greater cost-effectiveness, customer satisfaction and employee productivity. In addition to the public sector, the healthcare, banking, financial services, telecommunications and retail industries benefit from Alphinat technology to cost-effectively modernize and automate a wide range of business processes at a fraction of the cost of custom-built solutions by leveraging existing systems and know-how.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Lecoq, what is your vision for Alphinat?

Mr. Lecoq: "Our vision for Alphinat is to be the provider of choice for organizations looking to improve the quality and cost-effectiveness of service delivery through a customer-centric approach. Our plan is to grow the company through strategic alliances as well as through software as a service model, meaning to rent out the software as opposed to a strict licensing model."

CEOCFO: Will you tell us about your product offering?

Mr. Lecoq: "We offer a web based system that allows governments as well as large organizations to quickly deploy people-centric applications that leverage their in-house systems, knowledge and skill sets. What that means is clients can build at a fraction of the cost applications such as self-service tools and online troubleshooters to reduce call center loads. They can automate their forms-based processes for better compliance rates and efficiency. Or create guided searches that produce 100% relevant results."

SmartGuide allows building these and other types of applications such as mash-ups, decision trees and calculators faster and at lower cost because the content, business logic and rules can be implemented by knowledge workers through SmartGuide Designer.

What we're also seeing with clients is that they're reporting better adoption rates of their online services with SmartGuide because of its "Guided interaction" concept, which is like having their best employees guiding clients every step of the way, except its all automated."

CEO CFO: Is there much competition in this arena for you?

Mr. Lecoq: “There is always competition when you have a good idea and within this realm, what we find often is a lot of professional services and custom made development. Where we offer a differentiation really in terms of the use of the product whereby non-technical resources have the ability when they know of a business process to be able to put that online and share the wealth of information and knowledge that they have of the processes and to make that available to the user base.”

CEO CFO: Would you give us an example of the solution you provide?

Mr. Lecoq: “One example of what we offer our customers is the business portal that we put together for the provincial government of Quebec. The issue that they had was that in order to present the different services that the government offers for entrepreneurs when opening a business, is that the entrepreneur needed to go through about fifty three different government websites to be able to identify what they needed or did not need to fill in terms of forms, and permit requests. Prior to the installation of our software, it was estimated that the entrepreneur would spend about three weeks in order to find this information, which included the proper government agencies that they needed to deal with as well as the appropriate forms that they needed to complete. When we put this system together, we had meetings with different government agencies and found that no one really owned the process from end to end of opening the business. What we did is work very closely with a law firm that had the knowledge of that business process, what does an entrepreneur need to ask him or herself in order to make sure they have gone through the gamut of forms and government agencies that they need to deal with. What our software did is basically remove the burden from entrepreneurs by guiding them through a decision tree to quickly find and comply with all mandated procedures that apply to their particular situation and industry.

The entrepreneur no longer sees the complexity of government behind the interface, so they no longer need to go through a variety of different websites. Today, entrepreneurs need five to ten minutes to go through the process to identify the forms and as they are doing that, they are actually filling in multiple forms through the process. Therefore, all of the experience whether retrieving information or completing specific tasks is presented in a manner that makes sense to the user and transcends the traditional paper based forms approach, which is more of an obligation towards a government agency than it is applied towards the business needs of the entrepreneur.”

CEO CFO: Are all of your solutions are customized?

“We offer a web based system that allows governments as well as large organizations to quickly deploy people-centric applications that leverage their in-house systems, knowledge and skill sets. What that means is clients can build at a fraction of the cost applications such as self-service tools and online troubleshooters to reduce call center loads. They can automate their forms-based processes for better compliance rates and efficiency. Or create guided searches that produce 100% relevant results.”

- Philippe Lecoq

Mr. Lecoq: “The solutions themselves, the software is out of the box, it is the way that the clients will use them that becomes very customized. We put a lot of effort to make sure that clients can use the base of the application and develop the type of web application that they require without us having to develop or custom adapt our core application for as many clients that there are.”

CEO CFO: What is your revenue model?

Mr. Lecoq: “Our revenue model is based on a license fee with professional services that are related to the installation of the software, as well as professional services to be able to accompany the client through the process. This is because although the software is easy to learn it does bring a new paradigm and we like to accompany the client and get them to be

fully aware of the extent of what they can do with the application.”

CEO CFO: The 2007 fiscal year was a changing year for the company; where have you been, where are you now and where are you going?

Mr. Lecoq: “Before 2007, we were very much into research and development. We had tested the applications, different iterations with real world production with clients to make sure it responded to their needs. In 2007, the focus of Alphinat changed from an R&D firm to a sales and marketing of the product suite. The defining contract that we had over the year was a government license that we sold to the Quebec government for the needs of the agencies and the departments of the government of Quebec so that they can freely use the application for the different needs that they may have within their own agencies. Additionally, it would give a single window view of government for the Quebec government. As first strategic planning, that was one of the very important pieces of the puzzle and from there what we are doing is leveraging that and making sure that the different government agencies that have access to the license are using it in a manner that showcases the added value and to streamline their processes.”

CEO CFO: This applies to a wide range of industries; how do you reach your potential customer?

Mr. Lecoq: “Currently we need to focus on the core base of customers that we have. We agree with you that this applies to a wide range of industries but as all companies that are growing; we need to focus on specific areas. What we are looking to do currently is focus on the public and health sector. Both are closely intertwined and in some definitions, the health sector is part and parcel to the public sector. What we look at is to be able to grow that with some direct contacts that we have. We do have a good network of contacts through the government agencies and the different levels of government here in Canada, some in the

States and also very much in France. We do look at that direct. We also look at that with partnerships to be able to expand our market base and get into areas where otherwise it would be much longer to get into.”

CEOCFO: Your website indicates that you can reduce service costs by up to 97.5%; that is quite substantial!

Mr. Lecoq: “It is quite substantial. These figures come from different studies that have been done. There are two aspects that need to be looked at, one of course is when you go from a paper-based process to a fully electronic based process, there are tremendous cost savings associated with that. Those are available from independent surveys and studies. The value that we add to that also is that in terms of putting that in place, there are further savings that are gained by the clients.”

CEOCFO: What is the financial picture for Alphinat today?

Mr. Lecoq: “The financial picture is, at year-end we were still showing in terms of revenue recognition there are different issues that need to be looked at with respect to that given that the government license was a good amount for our company at this stage, however it was not all recognized in terms of revenue. We have a backlog of close to a million dollars in sales that will be recognized over the year. The first quarter of this year we are happy to announce that we do have an operating profit.”

CEOCFO: What do you see two or three years down the line?

Mr. Lecoq: “We see ourselves as being a strategic importance in the IT vision of different levels of government. We do see ourselves in a financial position that is quite different from that today, to have presence in Canada which is our base, in Europe as well as the United States. This is because today we are really getting out of an R&D phase and into a sales and marketing phase and into a sales and marketing phase. This year will be a very important year in terms of that as we are setting down the foundation and then we should see an exponential growth.”

CEOCFO: Do many of the government organizations realize they need your product or is it missionary work?

Mr. Lecoq: “They understand that they need what we are offering. The missionary work however needs to be done because that helps them to realize just how much they can deal with it. Many times what we seem to look at, what we encounter with clients and this is prevalent throughout the IT industry is that we will meet clients and they will express their needs through solutions that they know. We ask the clients to fill in a form or ask them their actual needs. With a discussion like that, we open the discussion to have a much broader view of the client’s needs. We like to bring the client to come to the business meeting that they have and not the technological solution that they may require. Through that discussion there is an expanding of the mind that is quite interesting, that brings to creativity just how far the solution can be put forth, not only to resolve the issues that may have in the back end from a strictly IT need, but to look at the whole

business need all the way to the end user.”

CEOCFO: Why should potential investors be interested and what might people miss when they first look at Alphinat?

Mr. Lecoq: “We think that investors should be interested in Alphinat because of the potential that our application represents in terms of being able to streamline processes in a very cost efficient manner for a lot of different clients. They should also consider the way that we can leverage the potential that we have with some of the partnerships that we have in place and others that we are finalizing. These partnerships help us to get a lot of sectorial expertise and sometimes market expertise in foreign markets that we are not very well versed in today however our partners are very well versed in.”

CEOCFO: What should people remember about Alphinat?

Mr. Lecoq: “What people should remember most about Alphinat is the innovative approach that we bring to resolving process issues for government and large organizations by bringing down the cost of being able to do that as well as the reach and extent of that being that when services are put up from an IT perspective. The focus is on the IT aspects. We bring the shift and the paradigm to really include first and foremost the user needs in case of an organization, in case of government constituent needs to be able to offer better service to their client base.”

For more information, please visit <http://www.alphinat.com/>



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