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Q&A with Justin Smith, Founder and CEO of OuterBox a Digital Advertising Agency providing SEO and Web Marketing, Website, Mobile App and Lead Generation Website Design to eCommerce Businesses

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CEOCFO: *Mr. Smith, what is OuterBox?*
Mr. Smith: OuterBox is a digital advertising agency that focuses on ecommerce businesses. We do everything from website design development to ongoing marketing.

CEOCFO: *Is ecommerce business why you started initially or did you recognize over time that was the best opportunity?*
Mr. Smith: We started the company as a general web design company in 2004 but recognized that we needed to have a niche and also that we were getting a lot of inquiries in regard to developing the ecommerce website. The ecommerce industry was really moving, so as that was happening, we decided to focus more heavily on the ecommerce space.

> "The biggest reason people come to us is because they want that integrated approach of wanting to work with one company for our planning that can do our design, programming and marketing."- Justin Smith

CEOCFO: *One a very fundamental level, what do you understand about ecommerce that others might not?*
Mr. Smith: There are a lot of complexities with an ecommerce project. If you are talking about building an ecommerce website, there are a lot of initial questions asked that if you have not built hundreds of ecommerce websites, you may not realize, from technology to ERP integration, to the way to handle potential shipping logistics. If we are talking search engine marketing, there are many intricacies in doing marketing on a website that has thousands of products and is database driven. It is one of those things where until you have done it a lot of time and made the mistakes, you do not always know the challenges you will face.

COECFO: *What is an example of what you might ask a company that would lead to a better result?*
Mr. Smith: The number one thing that we always ask people in the first place when they come to us wanting to build a website is what their goals are. I feel like a lot of companies do not really start there, they start with technical requirements. They say tell them what you want the website to do, where we really try to take a step back and tell them to tell us why they are calling us in the first place and what the goals are and why they want to build the project, if they are sales driven or branding etc. It is taking a step back and not just looking at it from a programming perspective. A lot of the things that we ask that make a big difference as far as data integration, how we are going to get products into the website, how we are going to keep your in house inventory and website inventory in synch in real time, how we are going to handle

different pricing structures for your B2C customers and potential B2B customers. A lot of questions like that get companies thinking about how powerful their ecommerce website could be and the challenges and problems that their website could solve that they may have never thought about for their business.

CEOCFO: *What types of companies turn to OuterBox?*
Mr. Smith: Our average company is doing over one million a year in online sales. It does not mean we do not sometimes work with startups if we feel like they have good opportunity but we definitely have a sweet spot of businesses that do between fifty and two hundred and fifty million in sales a year whether those are all online or not. Companies that come to us are often looking for customized solutions. There is a difference between an ecommerce website that sells T shirts and you can by a template and launch and ecommerce website that has the functionality you need compared to a lot of the companies that are coming to us because they have unique need for their ecommerce website and buying a piece of software or just and ecommerce solution does not necessarily fulfill those custom needs that they have.

CEOCFO: *What is an example of what you would consider a custom need that requires specialization?*
Mr. Smith: A company that we are working on right now is for a company that fills mainly B2B. Online when someone comes to the website, they have to log in to see pricing because they need to be one of their B2B customers and have credit approval. All of their customers have different terms as far as credit limit, so when someone is logged in, some clients can purchase 100 thousand on Net Thirty. Some clients have twenty thousand on terms that they are allowed to purchase. They have multiple locations that they need to be able to ship items to. They need to be able to view their outstanding invoices that come from the client VRP system and need to be able to make payments on those. They also want to make payments with auto bank drafts. Those are business processes and things that need to be built because that is the way their company runs and is not necessarily typical for most companies especially when they are integrating with a customized in house, ERP database.

CEOCFO: *Is there a trend towards more customization? Are companies understanding they need to make it continually easier for people to do business with them?*
Mr. Smith: I think there definitely is especially in the B2B side. B2C ecommerce is pretty straightforward still. You have categories and products that are a certain price for everybody. You go through a checkout process and you buy an item. But for B2B businesses, they are a little later in the game of getting into ecommerce. They have always sold B2B, they have always had accounts and sales representatives that called on those accounts and they are trying to get away from that to some degree because their B2B customers are wanting to be able to purchase online, they do not necessarily want to have to call a sales representative or get on the phone all the time as younger generations are running those B2B companies. They definitely have a much bigger need for customization because B2B companies work in very different ways. They have very different pricing structures and different ways that customers purchase. The trend from a B2B perspective is of needing to use ecommerce technology and the internet to power these customer relationships and purchasing relationships much better.

CEOCFO: *How do you integrate with what a company may already have in place?*
Mr. Smith: Probably on at least half our projects, we are integrating with companies' ERP systems or their CRMs. That can be anything from Microsoft dynamics to an older AS 400 database. We have worked with hundreds of different systems. Typically what we are doing is working to determine with them what data from their in house databases need to make it to the West and then determine what data needs to be in real in time and what can be potentially on schedules, meaning we just need to make sure our products are updated once a month or once a week but we need to make sure stock levels and pricing are up in real time when people are on there. We really put together a data plan and then the technology that we use to integrate with their in house data depends on the systems they are using. We can do EPI connections, we can use a web service, we can send files back and forth and that depends on the ERP platform that they are using internally.

COECFO: *Where does security come into play form your side?*
Mr. Smith: On our side, we develop everything using Microsoft technology, so our back end programming language of choice is .net, which is one of the most secure languages you can use because it is compiled code, meaning all of your website code is not on your website server on several files; it is one application that is running on your server. On the front end of the website we follow standard practices and utilize SSL certifications for all sensitive information.

CEOCFO: *How do you help ease the concern about implementing something new? How do you help walk a company through the process?*
Mr. Smith: It is tough. Changing anything in life is difficult. No one likes change but you realize when your website is not performing well enough or it looks out of date that you have to make a change. I guess the best way to help alleviate

some concern there is talking to them how we have done it before with people and let them know they are in the same boat as everyone else. No one likes doing this. Everyone is a little scared about it, but showing them about someone else that was in the same position and how it worked out for them and they grew their sales by 200% and their search engine rankings did not go down, they went up. Showing case studies and definitely reassure people. From a hosting perspective, once you have a new website, we recommend people hosting with Microsoft Azure, which is Microsoft's cloud hosting, that way you are not always trying up to date with security patches, server changes. That is all taken care of for you. The biggest thing is telling people that Google obviously wants you to update your website, they do not want to penalize you for that, because one concern a lot of people have is if they are going to lose search engine rankings from updating their website and rebuilding this. The other thing I try to tell people is they do not necessarily have to upgrade all their technology at once. Many of our clients tell us their ERP system is ten years old and they are concerned they are going to have to redo that if they redo their website, whereas we try to tell them that it is out of date but we can work with it and find ways to still integrate with that. We try to place the balancing act in what you have to upgrade and what you do not have to and come to an agreement so it will work really well.

COECFO: *Once you have done a web design, for example, do clients tend to stick with you? What is your typical relationship?*
Mr. Smith: We like to build long term relationships with people. It takes a lot of time, effort and energy to build a website. I always say it is not the most fun part of the project. There is a lot of back and forth and there is a lot of account management. There is a lot of everyone having to work together and it is a big project. We never try to underestimate building an ecommerce website and the complexities and time it takes to do it on our side and the client's side. The fun part of any project is the marketing. We definitely work with clients that want to build an ecommerce website and want to do search engine marketing. That allows us to be responsible for the outcome of it. If we just build and ecommerce website, then the success of it is not necessarily in our hands. The failure is in our hands also. If there is something that goes wrong, we are ultimately responsible for it. Our average client is building a website with us and working with us for marketing and that is typically why they came to us in the first place; they wanted one company to be able to do all that for them.

CEOCFO: *What are the intangibles you look for in your staff?*
Mr. Smith: Hard working people that can learn is the biggest thing. In our industry, everything is constantly evolving and changing, so you have to have people that want to learn and want to take the time out of work to learn and like reading about this and fiddling around with testing different Google changes. You cannot teach someone to have that kind of motivation.

CEOCFO: *What are you surprised we cannot do yet with technology?*
Mr. Smith: One thing I think that would be really interesting that I have not seen any examples of would be using VR technology and the head sets with creating online stores that are more of an interactive feel. If you want to shop for cameras as an example, it is nice when you can go to Best Buy and hold them in your hands and look at them in a 360 degree and feel like you are holding them, but the reality is most people do not want to go to Best Buy these days, they want to shop online. I think the next big thing is probably bringing the virtual reality technology to shopping and allowing someone to have a more hands on, full 360 shopping experience.

CEOCFO: *Why choose OuterBox?*
Mr. Smith: The biggest reason people come to us is because they want that integrated approach of wanting to work with one company for our planning that can do our design, programming and marketing. People come to us if they also want someone who is experienced in ecommerce and has a proven track record of great results. When you put those things together, we do not have much competition. That is why we have clients all over the country. It is really hard for people to find another company like us.