

Revolutionary Video Streaming Infrastructure that Reduces Latency Provides Real-Time Streaming from Anywhere in the World



Dr. Stefan Birrer
Chief Executive Officer
Tripp Welge
COO

PhenixP2P Inc.
www.phenixp2p.com

Contact:
Kyle Bank
Director of Business Development
(847) 924-8328
kyle.bank@phenixp2p.com

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Dr. Birrer, what is PhenixP2P?

Dr. Birrer: PhenixP2P is a video streaming infrastructure provider. We are kind of like the backbone, and we power people that are streaming content over the internet to large audiences. An example would be a baseball game that might be streamed over the internet and consumed on your iPhone or connected television. A company would build the app, the baseball team has the video content, and we pick it up from the camera or the production truck and stream the content to a variety of viewers around the globe. What makes Phenix very unique is the differentiation from traditional video delivery formats that typically take dozens of seconds to upwards of several minutes from the moment the feed leaves the production truck until it can be viewed by the audience. Phenix has developed a platform that reduces that video latency to a matter of milliseconds. We can distribute a stream that might traditionally take minutes and do so in under half a second at broadcast scale.

“Utilizing a platform like Phenix enables our customers to get to market faster and deploy their best engineering resources to build value added features, rather than spending years reinventing video streaming infrastructure technology. We are currently the only company in the market that can deliver video to millions of concurrent viewers while maintaining less than 0.5 seconds of end-to-end latency.”- Tripp Welge

CEOCFO: What have you figured out that allows your technology to be so effective?

Mr. Welge: Imagine the video stream being like traffic and the cars in the streets as data packets that are being chauffeured around from one place to another. In the real world, there are scalability issues in video streaming that are related to infrastructure capacity. Different places in the streets of popular cities may present challenges or congestion, preventing those cars from taking the most optimal route. We engineer technology that is very efficient at directing cars like a GPS to get them to their destination in the shortest period of time. Our platform is like a highway system that can dynamically add new roads as needed to prevent bottlenecks. At the same time, we also build very efficient cars and fuel. That is in a nutshell what can be gained with our video streaming technology.

CEOCFO: *Would you tell us about the different solutions that you offer and who might be using the different services?*

Dr. Birrer: The primary markets that we focus on are certainly the broadcast television over the internet use cases. It's called Over the Top TV, or OTT, for short. We really target areas where time sensitivity is important. For example, news broadcasting and distributing market data require minimal delay. Other markets outside the OTT space that will benefit greatly from our technology include e-sports and video gaming, which is gaining an awful lot of traction these days. Video latency is important when interacting with video game content and playing in real-time with other users. As more and more people watch their peers play video games, audiences are starting to rival those of major sporting events. This is a very big market for us. Social media is a space where we are serving a number of customers, connecting people to friends, celebrities and other video content that is being created. People are starting streams on their iPhones or Android devices and sending that out to large groups of viewers. I think Facebook Live is a pretty good example of the prevalence of social media streaming, along with a myriad of other companies creating similar solutions. Our value proposition to these social media companies is that we can lower their latency from tens of seconds down to less than 0.5 seconds. Online education is another growing area with more and more students participating in classes remotely. Reducing video latency to enable students and teachers to interact in real-time can make a significant impact on these education companies. We also see healthcare and gaming as important areas where we will be dedicating resources.

CEOCFO: *How are you reaching out to the various prospective customers?*

Dr. Birrer: We have spent a great deal of time honing in on our sales strategy. If you look at the video landscape, almost every industry vertical is touching video in some form or fashion. We consider ourselves the interactive broadcast company. The term broadcast here implies scalability to large audiences, and the word interactive suggests bringing people together with real-time communication. With that in mind, we have focused our efforts on categories where low latency video is imperative to providing the best end-user experience. As an early stage company, our resources are somewhat limited, so we must prioritize. We work with some powerful lead generation technology and are moving conversations forward with executives across a myriad of target industries. We also spend a lot of time at industry conferences and trade shows. Having a presence at events like NAB and Streaming Media East allows us to build new relationships with potential customers and to set up key meetings ahead of time. We have been fortunate to receive great press to date around our unique technology. This has led to a lot of inbound requests from interested customers. They have been eager to learn more.

CEOCFO: *Do you need to show pricing versus quality or will prospective customers understand once they better grasp your technology?*

Mr. Welge: The purchasing decision depends on the many different aspects. Customers are often evaluating their current situation and determining if it is worth the investment to select a new vendor and change their existing solution. We discuss with prospects the exact features that they require, and they usually have requests that fall into different categories from "must" to "need" to "want". Certain key features typically include real-time delivery, high-quality transmission, and cost. Pricing is certainly a very important property of the solution. Depending on where on the spectrum customers fall, the relationship with the three can be quite different. We built a number of technologies to address those tradeoffs and make it easy for customers to adopt our solution. Lastly, it comes down to total cost of ownership. Customers evaluate the cost for them to develop and maintain video technology internally, which requires significant overhead expenditures versus integrating with Phenix. Utilizing a platform like Phenix enables our customers to get to market faster and deploy their best engineering resources to build value added features, rather than spending years reinventing video streaming infrastructure technology. We are currently the only company in the market that can deliver video to millions of concurrent viewers while maintaining less than 0.5 seconds of end-to-end latency. For us, it is very clear that the pricing for real-time is going to converge to the pricing of the live streaming CDN (content delivery network) market. We are very forward thinking and price competitively to eliminate people having to make a choice between real-time versus live. We pride ourselves in remaining price competitive to "live" streaming, while providing lower latency and a better user experience.

CEOCFO: *Are you funded for your next steps and seeking partnerships and investments at this point?*

Dr. Birrer: We recently closed on a round of Series A equity capital. It has been a great milestone, and it set the tone for continued growth. As an early stage company, every customer that we onboard has an important impact on the business and is critical in determining both our capital situation and valuation. We are prepared to begin exploring an additional capital raise towards the end of this year and early next. A few significant customers can certainly change the trajectory of our business very quickly. We strive to close some of these pilot customers in the second half of 2017.