

Leading the Canadian Revolution of Telecom and IT Management with Global Coverage, Etelesolv Helps Companies Take Back Control of Telecom Expenses and IT Assets through Telemanager, a Software Platform that Connects Actionable Data

Technology Telecom Management

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Christopher Thierry
CEO

BIO: Mr. Thierry is the President, founder and driving force behind Etelesolv. His background in enterprise solution development helped propel Etelesolv from a tech start-up to Canada's leading provider of Telecom and IT management software.

Etelesolv reflects Mr. Thierry's expertise in e-commerce, telecom invoicing, supply chain integration, logistics, accounting, marketing, and electronic

payment processing to deliver holistic enterprise solutions.

Mr. Thierry holds a Bachelor degree in Management Information Systems and Marketing from John Molson School of Business at Concordia University and is a graduate of the Entrepreneurial's Masters Program at Massachusetts Institute of Technology (MIT) for founders of high growth companies.

He is a contributing member of Entrepreneurs Organization (www.eonetwork.org), CIO Association of Canada (www.ciocan.ca), and the Telecom Expense Management Industry Association (www.temia.org), where he is a founding member of the ethics committee and on the executive board.

About Etelesolv:

With its global coverage, Etelesolv is leading the Canadian revolution of telecom and IT management by helping companies Take Back Control of their Telecom expenses and IT assets. Etelesolv's software platform, Telemanager, brings together actionable real-time data and everyday processes to ensure that Companies know what they have and what it costs at any given time in a an all-in-one Wireless, Wireline, IT, and Employee Lifecycle management solution. For more information, visit www.etelesolv.com.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Thierry, what was your vision when you started the company and where are you today?

Mr. Thierry: We started back in 2000. I was twenty-three. The idea that started the business was to help companies sell cell phones online. We had a business model that involved creating an ecommerce platform that allowed carriers and cell phone dealers to build a website and sell to their customers. Fast forward about four or five years later, we started realizing that many large companies were having problems managing all the wireless bills and wireless cost that were being generated from all their cell phones, so we started investing in this platform that we today call Telemanager. Telemanager allows companies to track down expenses and costs on an individual basis. As we got better at that, we started to get into managing other types of telecom services and integrated the management of IT assets. Anything that involved a monthly recurring or usage-based charge we started to be able to track quite effectively. That is where we are today and we are growing fairly fast. We are in the process of launching our newest software version with some additional features and new graphic interface.

CEOCFO: Is there a typical customer for you?

Mr. Thierry: Yes, our customers are typically large enterprises. On average they have a thousand employees or more. They own and use many IT and telecom assets, so we have banks, insurance companies, government, pharmaceuticals and pretty much every major industry across the board.

What we realized in a short period of time was that our scalable solution was also relevant to the SMB market. A market aggressive on tracking assets and optimizing costs.

CEOCFO: What are you offering and how does it work?

Mr. Thierry: Essentially what we have is a SaaS (Software-as-a-Service) platform offering. Customers sign up and we charge based on the number of assets they want to control in the system on a contractual basis.

CEOCFO: What have you figured you to enable easy tracking and ease of use for your customers?

Mr. Thierry: Essentially there are multiple points of integration. The one thing that we have been able to do quite successfully has become almost like a universal remote control for many IT and billing systems. We have been able to combine the asset management side of telecom expense management and provide businesses the ability to also track down physical assets. Our system also integrates the cost component by automating the importing of the invoices and asset procurement cost into our system. With the Employee Life Cycle feature customers know who is using the equipment and services at any point in time. Combining these three pieces together allows collectively mashing all the data together and giving companies transparency on spending and where the money is going.

CEOCFO: When a company starts with you how do they get all the information about each phone?

Mr. Thierry: Every business is slightly different in terms of what they do and do not have. Most companies do not have a good control over all their telecom and IT services. They are good at counting physical things like desks and chairs and inventory. When it comes to counting virtual services it is difficult to put a barcode on a 1-800 number or a toll-free line. It is a combination of a couple of things. One is if clients do not have an up-to-date inventory list, we start from the invoices and what they are being charged. We then map them back to people or departments or divisions

internally and say: "Ok does that make sense?" Once we have completed the inventory of services, it is possible to keep it up-to-date. As people move around in the company and leave or change departments and so forth, it is matched to future invoices and future costs that are coming in. If a new telephone number suddenly shows up on your invoice and it is not mapped properly to a person it is flagged in order for this line to be mapped into the system. In the beginning, the data collection is important for the accuracy of the system. One of the value propositions that we have is that once you go through that exercise, the system inherently keeps that process up-to-date so there is no need to go through it again once it is in place. The system integrates a variety of business systems and processes to make sure that it automatically cleans up everything month after month. We have large clients with hundreds of thousands of assets and they now have inventory accuracy close to 99.99% because the information and processes are locked down and the integration is done. Our goal is to show you what you have and what you

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are spending. That is a simple thing and it is amazing how many companies just do not know what they have. That has been our focus.

CEOCFO: How do you reach potential customers?

Mr. Thierry: Today, it is a combination of a few things. We are continuously building our sales team and are using channel partners. We have gotten great support from carriers. We have been involved in a number of opportunities that involve telecom carriers by simplifying the supply chain and making information flow between them and their large customers. Word-of-mouth is an important channel, tradeshow, as well as our web presence. We are in the process of looking for other partners to take us in other parts of the world.

CEOCFO: You talked about a change in focus. Would you tell us about the strategy?

Mr. Thierry: Our change in focus is best understood as a two-part process. We are in the process of implementing our new version of our software. Our software is a leap forward for us technologically, as well as cutting-edge for a many of our current clients. We have been keeping very quiet and under the radar here in Canada with respect to that mainly because we know this next version is coming. Once the new version is launched, our goal is to boost our activity in the community and get on the radar of the analysts. Sharing with the market what our clients are doing, what they are saying, and why they chose us.

CEOCFO: What will the new software do that the current version does not?

Mr. Thierry: I think the biggest change in the system has to do with flexibility. We are going from an older version of technology to an HTML5 version of the platform. What that means for us is that we are able to deploy our solution pretty much universally on every web browser, tablet and mobile phone imaginable. With this new platform, we will be able to offer more features through key partnerships and many more technical alliances. Essentially allowing us to app-up very much like many other companies have

started to create app stores or markets. We are in the process of looking at what apps we should be developing in conjunction with large companies; we are investigating many additional integration points. There are tremendous opportunities that open up to us with this platform. Many of our clients have invested important sums from an IT perspective, so we are looking at potentially leveraging the buying power of our clients for additional cost saving and see how that can be used through our tool.

CEOCFO: Would you tell us about the managed services?

Mr. Thierry: Essentially what we have there is very much like a lot of other Software as a Service (SaaS) companies. It is great to have the software and offer this tool to

customers who want to run it themselves. Inevitably what happens is that you have another group of clients that like the turnkey approach. They just want you to manage their telecom and IT assets and they will just pay you for that and free more time to managing their own business. We have been able to layer in some additional support people to use the application on clients' behalf. We have also been able to create different relationships with various partners that allow them to create that value-added managed service. They are able to use our platform and then offer managed services as a value add for their clients. It is an interesting ecosystem where we have many different partners and people involved. As we are dealing with large enterprise and because they have relationships with other vendors and other people, it is something that we have to be conscious of and we have been open to this model.

CEOCFO: Would you tell us about the culture at Etelesolv?

Mr. Thierry: When I started the company I had this very easy-going attitude towards culture. We had a culture by default. When we started to grow and I started to add many people, the hiring process started to get out of hand. Each manager started doing their own hiring and I soon realized that some of the initial culture I wanted was getting away from us. We defined the kind of culture we had and the kind of people we wanted. We put that into five core values. Those values are on our website and they are posted on the office walls. The values are Growth, No is not an option, Respect and humility, Customer intimate, Fun and family. Today when we go out and hire, we interview for those values above and beyond even the technical competencies that most people come in with on their CV. Do you see yourself growing? Or, if you are at a point in your career where you are trying to get to B, does that line up with where we are going? Does "No is not an option" resonate with you? Are you somebody who is willing to go above and beyond to do something and get out of that box? "Respect and humility" I think is fairly obvious but it

is something in a team environment that is very important to us. Our Core Values are applicable to our employees and our customers as well. We have had instances where we have almost fired a customer because one of their people was not respectful to one of my employees. "Customer intimate", we are very close to our customers and we want to make sure they are part of the discussion about where our company is heading and that they understand our road map. We do customer forums to make sure they can see where we are going. With fun and family we like to do events and have fun together. We want to make sure our people are not doing crazy hours and that they are going home to their family.

CEOCFO: You are number-one with what you do in Canada. Is there much competition?

Mr. Thierry: There is always competition depending upon what areas and how you want to define the market. In the Telecom Expense Management sector there is competition from global players, US players as well as the IBMs of the world. I think that is one of the things that you realize when you wake up in the morning; you are a small fish in a large pond with a ton of sharks out there. This is where the humility and the respect comes in to make sure we are constantly doing things a little bit quicker and faster than some of the other big players. From that perspective, or irrespective of what your competition is doing, you have a market and niche and you can grow that. I do not look in my rear-view mirror to see what my competition is doing. To be quite frank I spend much more time talking to customers and seeing where they are going and what they see. It is a better sounding board for me because they can say what they do and do not like. If we make something, we know it is going to get sold. We know we have a market for it right away as opposed to pretending or doing all kinds of crazy market studies. I do not believe in copying because if you are going to do something you are going to enhance it and make it better and revolutionize it in some way. When we came up with

our asset management system, the whole logic behind that was different from the logic and methodology that other asset management systems used because they were all reliant on creating this static inventory and then figuring out ways to update it and we decided the way to update your inventory was to make sure all the work orders and invoices tied into it. In our view, other systems that were out there had these modules for inventory, work order and invoice management could not keep it up-to-date unless they were all one system. We went to market and started selling that approach from day one. There is competition from providers of work-order management and invoice management as well as asset management but we tried to tackle it slightly differently. It is an all-in-one system and the price is also competitive.

CEOCFO: Why should the business and investment community pay attention to Etelesolv?

Mr. Thierry: We have been around for thirteen years. I started the company when I was fairly young. I believe we are at a point where we have the alignment of our values and product. All the pieces are starting to come together as well as the growth and the revenue and the profitability. We have come out of nowhere but we are going somewhere. What I mean by come out of nowhere is that there are very few companies in this market that have not taken the venture capitalist steroids to artificially inflate their market share. We have been self-funded from day one. We have figured out how to make money in the SaaS model. So far, our issue is less about profitability and more about how we plan to revolutionize the market and compete against much larger solutions. I think we can do that because of our cost structure and because of our technology.

CEOCFO: Final thoughts?

Mr. Thierry: The vision of our company and our product really revolves around four key promises. Take back control of your data and centralize it all, to know what you have and how much it costs. Allowing

companies to know exactly what inventory they have from mobile phones and software licenses, know what it actually costs, not in a fictitious way but by linking it to real invoices and real dollars and cents. We give

our customers the visibility they need to take action and know how to use that information and how to control the workflow to make sure they save money by updating their inventory properly and keeping it optimized.

That is how we go about developing anything in our application is to line up with one of those four things. Those four things drive all the development.



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