Offering both Strong Security and the Functionality Preservation of the Cloud, PerspecSys Inc. Software is enabling Fortune 500 and Multinational Corporations to Safely Move to the Cloud

Business Services
Cloud Security

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BIO:
David is President and CEO of PerspecSys. Previously, David was SVP of Sales and Marketing at Irdeto Worldwide. Prior to that, David was the President and COO of Cloakware, which was acquired by Irdeto. Before joining Cloakware, David was the General Manager and Vice President of Sales for Cramer Systems (now Amdocs), a UK-based company, where he was responsible for the company's revenue and operations in the Americas. Prior to his work with Cramer, David held a variety of executive, sales management and business development positions with the Oracle Corporation, Versatility and SAIC.

About PerspecSys Inc.:
PerspecSys Inc. is a provider of cloud data protection solutions that enable mission-critical cloud applications to be adopted throughout the enterprise. PerspecSys removes the technical, legal and financial risks of placing sensitive company data in the cloud. The company accomplishes this for many large, heavily regulated companies across the world by never allowing sensitive data to leave a customer's network, while maintaining the functionality of cloud applications. Based in Toronto, PerspecSys Inc. is a privately held company backed by leading investors including Intel Capital and GrowthWorks.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Canellos, would you tell us about PerspecSys?
Mr. Canellos: PerspecSys is a venture-backed company that specializes in making cloud data protection software. We help organizations – across a variety of industries – adopt the cloud by removing barriers associated with security and compliance. For example, lots of organizations want to move their applications to the cloud for the obvious benefits that the cloud provides like cost of ownership, immediate access and elasticity. But, these organizations are reluctant to make the move due to concerns around data privacy, residency, and security. We find that many organizations that do their homework are citing these as the top inhibitors for adopting cloud computing. If you think about sensitive corporate information such as customer information, financial information and HR information, organizations are reluctant more often than not in relinquishing control of that information to a cloud system, particularly in a multitenant public cloud environment. What we have done is purpose-built a cloud data protection software product to address this barrier.

CEOCFO: What have you done to convince people your product will be efficient?
Mr. Canellos: That is a great question. There are several things. We have acquired customers very quickly across a variety of different industries including financial services, healthcare, public sector, retail and manufacturing. These are large enterprise organizations who have a lot to lose by moving to the cloud if their sensitive data leaves their control or if someone sees information that was not intended to be seen. If you look at our customer base, you will see that we have blue chip organizations. If you go to our website, you can see these companies have become very successful with the cloud with the PerspecSys solution. In addition to our customer base, I think you also could look at our partner ecosystem. We partner with a variety of different companies including SaaS application vendors like Saleforce.com and Oracle. We help them succeed in penetrating their stated markets with our cloud data protection solutions. We also partner with security companies like Voltage and SafeNet as well as

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other organizations. They have security technologies that they want to get to market that are complementary to ours so our customers are not only enjoying their products, but are also enjoying ours as well to address the security threat around moving to the cloud. Finally there are datacenter providers, so we have partnerships with Fujitsu, CSC and others who are actually hosting our Cloud Data Protection Gateway on behalf of other customers. You are now seeing an expansion of our product that is not only used within the firewall of a datacenter within a customer organization but you are also now seeing these third-party datacenters going out to the market building businesses around our software security and offering it as a whitelabel service. While the market is still young, we are seeing quite a bit of growth and as a result we are excited about the future.

CEOCFO: What is the element that you add that sets you apart?
Mr. Canellos: The hardest part in all of this is providing the security aspect of the data protection. We offer security techniques that no one else in the market offers today, but they are based on two types of data protection, which are encryption and tokenization. I cannot go into the details, but while preserving that robust security for data protection, we also provide full preservation of the application functionality in the cloud. The user experience of being able to access the cloud in an easy way and being able to do things like complex searching on the data such as "starts with LI" or "contains OSSE," are key to ensuring our customers get the most from their cloud application investments. While PerspecSys is providing a security solution, we are invisible and we make sure the functionality is just as if the end-user were accessing the cloud without us. The performance is the same. We are the only ones in the industry that offer both the strong security and the functionality preservation of the cloud. With anyone else, you are going to have to make a tradeoff on one or the other or in some cases with many of our competitors you have to trade off both.

CEOCFO: When your people approach a company what is the 'aha' moment for when they understand PerspecSys?
Mr. Canellos: It is when we engage a large enterprise such as a bank, a retail organization, manufacturing organization or U.S. government department, which is under pressure to be more efficient as an organization. They have heard a great deal about cloud and how the cloud has now moved into the enterprise through BYOD (bring your own device) or the consumerization of IT, which is fueled by smartphones, iPhones, iPads and what have you. That is all now entering into the workplace, so they have the pressure to access efficient IT resources. They need to do it quickly, but how do they do it more securely? The "ah ha" comes when they realize we can help. What leads customers to PerspecSys? Think of this scenario for IT: Would you like to use applications in the cloud and have control of your data wherever you are? When you articulate it as simple as that, the light bulb goes on. They want to use the cloud. It has always been who would have access to their data. There are drivers out there that mandate people have to do something. One of the things we see commonly is data residency, so there are laws across the world saying certain data cannot leave a particular company. For example, if you are a bank doing business in Switzerland and you want to move to the cloud, Swiss banking law says customer information cannot leave the Swiss border, so how can you access a cloud application that is borderless, has virtual properties and still comply with Swiss banking law? You can do that with our solution. We can keep that customer information resident but give them the benefits of accessing the cloud. To the end user, which is part of the 'aha' moment, they see the same cloud application.

CEOCFO: What surprised you most as the business has grown and developed?
Mr. Canellos: When I joined this company, I said, "There are so many security companies out there that do data security." I thought this space would become crowded very quickly. I

have been with PerspecSys now for almost eighteen months and I have found that the companies I thought had just a short put to go from where they were into our space could not get there. The inherent barrier to entry and the difficulty in what we do – in not only providing the security but simultaneously preserving the user experience in the cloud, is very difficult. One of the big reasons we succeed is our people. We have amazing people at PerspecSys and we have been at this for a few years now. A predominant amount of our capital has gone into the product. Our prod-

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uct is robust and enterprise-grade. Couple that with the knowledge and capability of our people that understand this space and we have been able to grow and succeed where others could not. And some of those same companies that we thought would compete with us have become our partners and they become not only our partners technologically, but also our partners as we expand in the market. We are now reaching parts of the market that a company of our size would never have been able to reach in the past.

CEOCFO: What have you learned in your past experience that has been most helpful at the realm of PerspecSys?
Mr. Canellos: Never quit! It is resilience and durability that lead to success for an early-stage company. For

anybody who has been with an early-stage company where you can count the number of employees on two hands and then grow from there, there are moments when you think. You wonder if the market will ever take off, or if the technology will ever be robust enough to be adopted by enterprises or will we be able to hire the right people and have enough cash. There are many times you face difficult situations where you wonder how you will get through. It is the belief, passion and perseverance of the team. It is hiring the team that believes and is passionate that we can do anything and we will win. It is the competitive spirit and culture that this company has, and I think we are unique in that fact, and it gets us through. That sort of desire, not to quit but, to keep fighting regardless of what hand you are dealt has been the most important thing for me over the last eighteen months.

CEOCFO*:* PerspecSys has won a number of awards. Is it just nice to have the validation or do you garner attention you might not receive otherwise?

Mr. Canellos: The awards that we have won just in the last year or so have been extremely important. We do not have money to buy ourselves into awards and buy the coolest graphics and such. We win on sheer value. Gartner Cool Vendor, the Golden Bridge Award, Stevie Award, Cloud Computing Excellence Award, these are important to us and important to the industry. That is part of the validation but not all of it. It is also the research from Aberdeen and Gartner in terms of where this space is going. Ann Cavukian, who is an information and privacy commissioner for the Province of Ontario, has talked about PerspecSys and our approach to data protection. All of these things add to that industry validation that helps organizations ultimately decide: Is this organization someone whom I want to do business with? Is it an organization I can trust with my most important asset (my data)? Those factors are important but they don't matter if we cannot acquire customers and have those customers deploy our software and be satisfied and tell other compa-

nies how satisfied they are. Nothing else really matters. We are a very customer-centric organization. We like to say here at PerspecSys that we get excited when we sign a customer deal. We ring the bell and do all the things you would expect a high performing sales organization would do. We get more excited when our customer goes into production and is using our software to access cloud services as well as protect those critical visual assets.

CEOCFO: How do you reach potential customers?

Mr. Canellos: We have a variety of ways. We have an outside sales force that goes out and visits large prospective organizations that fit the Fortune 500 profile and multinational corporations. We engage with those organizations. We also have an inside sales force that calls on accounts and works with the outside sales team to ensure that we are working hand-in-glove to target those companies that we feel would benefit from a solution like ours. That is more the direct route. From the indirect route, we have relationships with a variety of different partners in the ecosystem. We have the cloud application providers themselves. We have Oracle with CRM On Demand and Fusion CRM. We have Salesforce.com and companies like Service Now and SAP Success Factors. These are SaaS applications that have the potential to use a product like PerspecSys to reach their customers. Those companies benefit from technologies like ours because it helps the adoption of their cloud services. We have the security providers. I mentioned earlier those organizations I thought would eventually be competitive to us that we are now partners with. Now they are bringing us into their customers because they want to expand their field use within their customer base. Think of encryption technologies; those vendors want to find other ways to express value to customers. Partnering with PerspecSys so that using our encryption technologies actually benefits not only the end customer but the partner. Finally, it is the cloud consultancy and data-center provider who want to be able to provide value and be relevant in the

cloud paradigm. They see us as a way to do that, to offer a unique security service that helps customers go to the cloud and ensures that their data is protected and that they have the full functionality of the cloud. Now they can offer that either in their data-center or provide consultancy services around it or actually provide managed services around our software. We are seeing an indirect route to market in addition to the direct route to market that I mentioned earlier.

CEOCFO: Does the end customer know your name and should they?

Mr. Canellos: Absolutely. The blue chip companies out there know us and they should know us because who are they relying upon? There are many SaaS companies out there. You can go online and see multiple types of CRM systems and HR systems and financial systems. The SaaS vendors are interested in selling services. People hear about us through their peers. Our name is becoming more and more familiar to the market. The awards, the industry analysts, the partner ecosystems and our customers all provide that publicity we get at the end of the day while companies continue to look to PerspecSys for their cloud data protection needs.

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

Mr. Canellos: If you believe the cloud provides an opportunity for businesses to be more efficient and do more with less; that there is a functional benefit for moving to the cloud, but there is certain data that just cannot be relinquished whether it is driven by residency walls or compliance. It can also just be about security where people are data security-aware and they want to ensure that the right controls are in place. Without these things in place, I do not see how organizations can fully use the cloud computing model today. We have now provided for the first time for a wide community of companies, a whole trading community. We are now an integral part to help consume cloud services in a secure and meaningful way.

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