

Providing a Personal/Opt-In Mobile Engagement Platform, mBlox is Enabling Companies to Reach Clients (B2P) on virtually Any Mobile Device Worldwide with SMS, Push and Rich Push Messaging

**Business Services
Customer Engagement**

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**Tom Cotney
CEO**

BIO:

Tom Cotney is recognised globally as an expert on the subject of operating and growing technology businesses. In both public and privately held companies his responsibilities have ranged from the turnaround of start-ups to managing teams of over 8,500 professionals, delivering service from 3 continents to clients worldwide.

Tom's experience includes the SaaS business model, Consulting, IT out-

sourcing and business process outsourcing. His technical resume includes application development, IT infrastructure and contact centre management. Tom's functional skill set includes sales, human resources, finance, marketing and service delivery associated with these technical areas.

With IBM Global Services Tom had direct responsibility for the development, closure and delivery of nearly 50 different outsourcing agreements including five of the company's ten largest and its first BPO engagement. At Apple in the early 1990s Tom was accountable for the company's enterprise sales force.

As the founder and CEO of ExperientPartners Tom brings a strong base of general management expertise to investors and operators in small to mid-sized companies. With Experient Tom has excelled in a number of roles including CEO in turnarounds, consulting projects to companies up to \$2 billion in size, board advisor to technology firms in their growth phase and deal driver during exits.

From 2008 to 2011 Tom served as board member and CEO of Air2Web where he orchestrated a successful exit for its investors via a sale in 2011 to Velti PLC. Tom also served as Chairman of the Board of Directors of Encover INC, a technology enabled outsourcing provider which was acquired in November of 2010 by Synnex Corp. Prior to accepting the position of CEO at mBlox, he served as an advisor to Catavolt INC, a cloud based B2B mobile provider with an award winning solution extending leg-

acy enterprise applications to a wide variety of mobile devices.

Tom is a summa cum laude graduate of the Terry College of Business at the University of Georgia where he is a member of the Alumni Board of Directors. He is also active in the Atlanta Community raising over \$3.5 million for the United Way and related charities. Tom and his wife Kathy reside in the US with their three children.

About mBlox

mBlox provides a mobile engagement platform that enables companies to reach individuals on virtually any mobile device worldwide with SMS, push and rich push messaging. Our solutions empower intelligent B2P (business to person) communications with relevant, targeted messaging that's triggered by a customer's location and activity.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Cotney, would you explain the concept for mBlox?

Mr. Cotney: Our concept is to be the organization that allows business to communicate with their clients through the very personal format of the mobile phone. We do that in two ways - one is via a text message to the mobile phone and the other is a message through any application you may have downloaded. In both cases, it is permission-based. A consumer would opt-in to enable or authorize that type of communication. We are a platform that allows business to extend what they have done in branch

offices, call centres, distribution centres and the web to mobile devices.

CEOCFO: Has this type of service not been available until your company, or is it available in different ways? What have you done that faster, better, cheaper, or easier?

Mr. Cotney: First and foremost we are focused on providing a delivery system that is bi-modal and global. We mean over 180 countries when we say global via high quality connections to more than 800 carriers.

When we say bi-modal we refer to the 6 billion plus phones around the world which is more devices than PCs and televisions combined, we can reach all of them! We have two modes of delivery - one is through apps and the other is through SMS text messaging, which makes us unique in comparison to other companies.

Thirdly, we offer analytics on the behaviour of the consumer upon receipt of the messages in the case of in-app messaging, to further contextualise and personalize the message for a person.

Finally, we focus on providing infrastructure and services to businesses only. Many of the companies that started in our space deliver a variety of content types, such as ringtones or wallpapers for phones, or subscriptions to things that vary from baseball statistics, the joke of the day, to the prayer of the day for consumers. Because that type of content is third party billed to the consumer by the carriers, there is an immense sense of suspicion which is justified because there is a lot of fraud, cramming, erroneous billing and delivery to consumers. It tends to purvey the culture and be a huge distraction, so it is a situation where the urgent can overtake the important and you lose sight of the fact that you have business customers.

CEOCFO: What types of companies are using your services today?

Mr. Cotney: It is a very broad representation of industries. For example, in the financial area companies have

always been early adopters of technology and if you look at their income statements they spend more on technology than many other industries. We have clients who range from Wells Fargo sending alerts to two dozen other financial institutions that do things as sophisticated as two-factor identification, in which a password or a PIN is delivered securely by text message. We provide alerts about your bank account activity, bank balance, credit balance, and fraud notices.

While we are heavily involved in the banking world, we do have many other customers who are specialists in a particular case or industry. One of our customers serves CVS pharmacy, integrating their point of sale and inventory systems and will notify you when you have a prescription that is

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ready to be picked up or can give you a friendly reminder to contact your physician and have your prescription renewed. These are the types of customers we have alongside small and mid-sized companies but primarily it is at the higher end of the market that we concentrate.

CEOCFO: You are new in the role of CEO- what attracted you to the company, and what do you add to the mix that was needed at mBlox?

Mr. Cotney: This is my second company in the industry. I ran a business for another group of investors led by the Carlyle Group, so I was familiar with the industry and I knew what I needed to do and what worked. The difference with mBlox is that it has scale, we delivered 5.5 billion messages last year and our revenues are substantially above 100 million dollars so scale was important along with the quality of our investors and the reputation that our investors adhere to. This attracted me along with the fact that I like being involved in change.

Not internal change, which always takes place when new leaders come in to their roles but change in a market.

The mobile market is at a point where it is graduating from junior high school, and what I mean by that is that the early adopters in this industry see mobility as a new frontier for advertising. In an age of over-stimulation via phones, you have to know the person that owns the phone to anticipate what they want or need. That is the market we are serving, businesses that respect the privacy and serve the needs of the person that own the phone, not companies that see phones as billboards.

We are bringing to light a new awareness that you can do more than advertising with this platform - you can engage your customers! That is what becomes very interesting rather than simply enabling business-to-consumer communications that are merely one-way with a static message to a generic population. Our platform enables business-to-person or B2P marketing.

We have tools that allow our customers to learn from the behaviour that consumers or people send to them. You can incrementally contextualize a communication once it is known whether you are more responsive to either an alert or a promotional piece of communication at a certain time of day or day of the week. For example, if I am a big home improvement retailer and I remember that Lynn bought two air conditioning filters six months ago, I would send a message that says I noticed it is time to change the filters and we will give you 20% off the filters along with one additional purchase. Our system monitors whether you opened the message, your location at time of opening the message and it allows us to offer the retailer feedback on how long you looked at the content, whether you explored further, when you closed the session, where you were physically when you closed it and whether you used the call to action. We offer what we call smart groups which enable businesses to identify and segment

which people were more or less responsive to these types of offers or this sort of communication. Was it when they were closer to the facility where they would take action on the offer or was it a certain time of day? This enables them to evolve the way they communicate with their customers. I enjoy that and to me this is what it was like being involved in the internet in the early to mid-90s. There is a lot of opportunity and gratification to be had from that.

CEOCFO: You recently opened an office in South Africa. What is the global reach today, and what are your plans to increase?

Mr. Cotney: That is one of two expansion moves, the other is in Brazil. We maintain physical conductivity in approximately 180 countries and direct conductivity with over 800 carriers. This is important to us because it allows us to offer the lowest cost routing of information to a particular destination. If you are a banking or credit card customer and are traveling on vacation or business in South Africa, we can now deliver traffic there at an economic price. We have a trading desk in London, if for instance a customer of ours has a need to deliver traffic in Eastern Europe where we do not have much conductivity, we can buy those routes. We can also buy access to routes that other people own and we can offer access to routes that we own in return for access to two other locations. We have 100% virtual coverage but it is helpful to expand in certain markets with a physical presence. We expanded directly to Brazil and to South Africa this year and we will probably go to Japan later this year or earlier next year.

CEOCFO: Would you tell us about the Red Herring Award?

Mr. Cotney: We are proud of it for two reasons - they created good competition. We were in a field of interesting companies and valued the opportunity to take part and compete. We

are a late stage startup, a 12-year-old company which in our world is a little older than what you would like to be. It is however important to stay fresh in the market and compete for slots like the Top 100 North America. The second reason is that the publication has a long tradition in picking high tech winners and we want to deliver on the promise of the award and Red Herring's reputation in selecting us.

CEOCFO: When customers come to you, do they know what they want to do and just need the tools, or do you work with them and are able to introduce them to things they may not have originally considered?

Mr. Cotney: We have two components to the business. There is the traditional text delivery capability and I would say that the market has crossed the chasm from early adopters to being well accepted, customers come to us and they tend to know what they want in that part of the market. As business evolves into push messaging, they tend to know less about what the possibilities are. We were invited to present to one of the major banking institutions headquartered in New York and they were trying to understand how to use push messaging to enhance some internal applications. They had employees that needed information about markets and things that are going on in a particular global location. With push, we have a code that lives on the phone and interacts with our network and we are able to geographically target the delivery of messages. If they have an analyst that is traveling in Malaysia to meet with customers, they could receive data up to the minute on this internal application making them sharper and more informed in front of their clients.

We also connect with retailers on how to design programs that try to anticipate customer needs. The one example that I enjoy the most is retailers who think about how to attract certain demographics to their stores. For ex-

ample, the demographic could be men. Men tend to think about what they are going to do in their yards and around their homes on Thursdays between 4 and 7pm because they are commuting and starting to think about their weekend. A retailer can determine the exact window of time for delivery of a message to encourage a visit in order to plant the seed for the weekend.

We find ourselves in more of a consultative role when people are going from the more mundane utility usage of SMS and start to evolve to a strategy for mobile engagement. It is a little bit of both, consultative and just the tool please. I am happy that the company has made investments to do both.

CEOCFO: Why should people in the business and investment community pay attention to mBlox?

Mr. Cotney: We are privately held but I would say that the reason the investment community should be paying attention to us is that the growth in our business represents the evolution of customer service, marketing at a personal level and it marks the continued empowerment of the global marketing executive. As marketing becomes more sophisticated and serves a purpose well beyond simple brand management, you should expect the marketing sector to do well. We are a bellwether in that sector, we are adding functionality and features that are moving marketing to a personal one-to-one engagement with the consumer. Marketers want more analytics and more data about what is going on with their customers. The evolution of technology has gone from the old call centre to the web and now that capability is moving on to the mobile device, phones, tablets and beyond. I think you can predict a number of positive things because of that, and because we are doing well.



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