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## **With The Mobile World Changing And Every Phone Soon To Be A Smartphone With Computing Capabilities, MacroSolve, Inc. Is In The Right Place At The Right Time As An Applications Provider To Businesses And Governments**



**Services**  
**Business Services**  
**(MCVE-OTC: BB)**



**Clint H. Parr**  
**President and CEO**

**BIO:**  
 Clint Parr joined MacroSolve/Anyware Mobile Solutions in 2002 as Vice President of Sales and Marketing. In 2003, he was promoted to President and Chief Operating Officer and in 2007 to Chief Executive Officer. He was named to the Board in 2003. Parr graduated from Baylor University in 1986 with a degree in Entrepreneurship and he obtained an executive MBA from The University of Tulsa in 2000. His professional development includes twenty years of strategic alliance management, technology product development, and professional services marketing and operations with Fortune 500 companies in the carrier and energy sectors. Prior to 1996, he started a marketing consulting company and oversaw

regional sales and marketing with Fortune 500 computer and imaging companies. Parr is a graduate of Leadership Oklahoma and a four term Vice Chairman of the Tulsa County Election Board.

**Company Profile:**

MacroSolve, Inc. is a pioneer in delivering mobile solutions to businesses. Founded in 1997, the company has an extensive network including the top name brands in wireless hardware and software as well as carriers. MacroSolve's mission is to deliver innovative strategies that bring the buyers and sellers of mobile technologies together in a way that creates bottom-line benefits to all participants in its growing \$100 billion target market. The company operates through its subsidiaries including Anyware Mobile Solutions.

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**  
**CEOCFOinterviews.com**

**CEOCFO:** Mr. Parr, how has MacroSolve changed under your leadership as CEO?

**Mr. Parr:** I got involved with MacroSolve about seven years ago. The company is now thirteen years old and very much a pioneer in mobile technology. Six or seven years ago, the industry was really still trying to grow. There were no smartphones and no high speed wireless data networks. A lot of what we were doing was creating customized applications for companies because there were very few standards. If you wanted to develop applications that could be used on a Blackberry device, Palm device or Microsoft device, you had to develop something customized that worked on all three. We are migrating away from developing spe-

cific applications, although we still build mobile applications for other companies that they label and market themselves.

What we are doing now is 'productizing'. Out of all of our intellectual property developed in the past thirteen years, the best products are taking to market ourselves as well through resellers. These software products need to perform well for customers in a recessionary or stagnant economy. This type of technology, if developed and deployed correctly, will be very beneficial, especially for small and medium-sized businesses that don't have an IT staff, and for government institutions that have a lot of needs for efficiencies in their operations. Those are the target markets we are after. We are working to make it simpler and faster for those types of entities to buy it, deploy it and get a very measurable ROI in a short amount of time. So with that, we are marketing two products now.

The first is digiTICKET™, which is electronic ticketing, the second one is ReForm XT™, which is a mobile form builder for the non-geek to build their own forms and put them on smartphones. Then we have other products coming along in the coming quarters.

**CEOCFO:** Would you give us an example of an application for your digiTICKET and ReForm XT and how they are used?

**Mr. Parr:** DigiTICKET for police departments allows an officer to pull over a motorist, scan the driver's license, and tap a few screens on a handheld device and complete a ticketing process in a few short minutes. This improves efficiencies for the police department while also in-

creasing their revenues and improving officer safety. Think about it, an officer only needs to scan a driver's license and all the driver data is automatically in the system. It's very easy to issue multiple citations, if the driver has indeed broken more than one law. No handwriting errors on paper tickets means greater collections. In terms of the sale to the police departments, sometimes it is a bid process, the need is there, the ROI is very good. We come out and install everything, but after that, it is pretty intuitive for most police departments who operate it without any kind of real close support from the technical standpoint. That's digiTICKET.

ReForm XT is an application you can download to your Blackberry today. It is a free App presently and allows you to go to a website and if you have a paper form – turn it into a mobile application. Let's say you are tracking inventory and you are a plumber, you can take that piece of paper on your clipboard and put that very significant information on this website and it instantly creates a piece of mobile software that goes to your Blackberry. The plumber can also send it to the Blackberrys of his employees and they can use it to track inventory across one to twenty employees if they like. ReForm XT is a very simple kind of application that is very user-friendly. You don't have to be very technical and it brings mobile computing to the business owner almost instantly.

**CEOCFO:** What is your revenue model?

**Mr. Parr:** The revenue model is built on three different types of revenue; 1) software with high margins; 2) services; and 3) hardware. In many cases as we work with our growing resale network - a lot of these resellers are very good with hardware. They are already selling hardware to their installed base of customers, so our future will be focused more on software and services, which is great for us in terms our margins, free cash flow and EPS.

**CEOCFO:** What is the projection on the wireless in general, and where do you fit into the grand scheme of things?

**Mr. Parr:** Our niche is business applications and applications for government. Right now, it is a \$100 billion plus industry. In the niche of applications especially, we are looking at 25% compound annual growth rate and most of those sub-segments of that market, especially in a small to medium business arena. The very underserved part of the segment is companies smaller than the Fortune-1000. Fortune 1000 is fairly well served. But for the other 6 million businesses in the country, there is not a whole lot of penetration. We aim to be a part of that 25% plus CAGR. The smartphone market is revolutionizing everything. iPhone launched their Apps store last year, followed by Blackberry and now everyone

**We have been fairly resilient by transitioning the company from a service company to a product company. It affects our revenues, and over time, our margin percentage per dollar will be much healthier in the future... Our niche is business applications and applications for government. Right now, it is a \$100 billion plus industry. In the niche of applications especially, we are looking at 25% compound annual growth rate and most of those sub-segments of that market, especially in a small to medium business arena. - Clint H. Parr**

from Google to Microsoft is getting into the smartphone and associated applications game. In fact, this time next year there will no longer be the term 'smartphone,' every phone will be smart. Every phone will have some computing capability connected to a data network. So that is very exciting for our company. It is one of those developments where you are at the right place at the right time, with the right management team, with the right amount of history. Thirteen years is a long time in this industry and we have a lot of strategic partnerships that have been here for at least ten years to help this move very rapidly.

**CEOCFO:** What is the competitive landscape for the targets that you have chosen?

**Mr. Parr:** What is unusual is that in most of the target markets most of the

competitors have built applications for the Fortune-1000. If you haven't been in the small and medium business market, it is a totally different development regimen you go through because you are trying to empower a single end-user to do everything or as much as they can by themselves. But it is also a different sales process, and we have worked with all of the major wireless carriers on helping them develop their SMB base and it has taken years for people to figure out that there is no CIO in a small to medium business or a small government entity. You are trying to create something technically that is easy to use, but how you go to market and approach the end-user customer is completely different than what you see in the Fortune-1000.

**CEOCFO:** What has been the effect of the economy?

**Mr. Parr:** Overall we are insulated here in Oklahoma; we don't have quite the swings in the economy. We have 6.7 unemployment here right now and our cost of living and standard of living is outstanding. We don't have to pay our employees nearly as much you have to on the east and west coast; nowhere even close. With the capital we recently raised, \$2.3 million, we can go a long way and that is a huge advantage we have. What we

are seeing on the macroeconomic scale is our small and medium sized businesses have to do more with less people. This is why we are bringing very inexpensive tools that allow that plumber to do his inventory without hiring another person or to do it with one less person. We are enabling police departments to write tickets more efficiently so they can afford to hire the next employee. They don't have to have as many secretaries in the back office typing ticket information into a computer. We have been fairly resilient by transitioning the company from a service company to a product company. It affects our revenues, and over time, our margin percentage per dollar will be much healthier in the future.

**CEOCFO:** Would you tell us about the management team?

**Mr. Parr:** The CFO has a wealth of experience in publicly traded companies and she was very instrumental in taking us public last summer. Her name is Kendall Carpenter, a thirty year veteran in finance and accounting. Behind her is Eric Fultz, who runs digiTICKET, and Eric has been in technology and e-commerce roles in Fortune-100 companies. He started out at IBM. He has been an entrepreneur and has the knowledge just not as a manager who knows how to grow a division, but he has also 'been there and done that' as a small business owner and understands how they think. Next to him is Mike Ishmael. Mike is vice president of business development and he is nurturing our more strategic products that are coming out. He is a twenty-year veteran of IBM and has also been with some smaller software type companies that he brought along very nicely. One company went from \$5 million to \$30 million when he was in charge of sales. There is Chris Kingham; Chris is very much an early technology adopter and he understands how to use technology. He was building e-commerce websites in the mid-1990's when the Internet was in its infancy, so he is very much a web e-commerce, "go-to-market using as many tools that minimize your sales and marketing expense as possible" kind of guy. He is also very adept at social networking and things of that nature. He is running our web properties and also the marketing direction of our new products as they come out. Chris has been around for 25 years in the industry and has been a solid part of the team. This is not a new management team, as many of us have been together for five years now, so we have very good chemistry - kind of like a band of brothers. We have new management coming on at the middle layers that know how to grow businesses; it is not scary for them to manage a \$100 million budget, because that is where they came from. They are managing substantially less, but they know how to grow it from there.

**CEOCFO:** What new products will you be looking at down the line?

**Mr. Parr:** There is a lot of technology being built by the wireless carriers and the handset manufacturers that will be revolutionary next year. We are seeing a

new wave almost every year. One of the big ones is 4G/WiMax. We will have products that will be leveraging WiMax. That is a very high data speed so that you can see live video on your smartphone. The new handsets coming out will have more capabilities for global positioning, social networking, and text/email messaging. Those types of things are being improved every day to the point where the smartphone is becoming your choice for computing more frequently than your desktop. Being able to manage your life and your business with a device in your hand is a game changer. We have already seen it in Europe and the Pacific Rim, and now with American innovation you will see another huge push into how we manage our lives and businesses.

**CEOCFO:** Would you tell us about your e-commerce marketplace?

**Mr. Parr:** We have been collaborating with many industry leaders on a better way to go to market with mobile software and services across the board. We have a project underway that will likely be either a new division or it might be a subsidiary company to MacroSolve that will tackle this issue and hopefully solve the problem for this industry. It will be a hub for buying, selling, packaging and learning about business mobility solutions. There is currently nothing like it in the market and we see a tremendous demand for it. The reason for the demand is it is a very inefficient marketplace. As you can see, you can do small things - like iPhone is building an Appstore that revolutionized things. Apple has downloaded 2 billion applications in the past year. The audiences today are used to using that handset as a way to get applications more smartly. We are trying to help companies decide how to use software, or select which one is the best. That is the key and how do you do that in conjunction with all the partners that you need to do that with; that is the trick.

**CEOCFO:** What challenges are ahead?

**Mr. Parr:** A lot of the challenges we have, especially next year, are growth challenges. We have a very good work force to pull from, and we are now starting to build a reseller network. To the extent of how fast we can grow that and

not have channel conflict is probably going to be the main issue coming up for us in the near term. The other challenges are if we really do hit a major homerun and go international, let's say, for some of these products, we might need more growth capital to do that. However, the capital markets are stymied right now and not sure what to do, whether it is angel investment, venture capital or institutional. Hopefully that starts to free up and the DOW is going in the right direction, so maybe some of those macro signals will free up cash for innovative companies. We have to date had success with fundraising from our very loyal, local investors and board members. They believe in what we're doing and they have put up the money to keep us growing even in this challenging fund raising environment.

**CEOCFO:** Why should potential investors pay attention to MacroSolve?

**Mr. Parr:** We are in a very high growth market presently and will be for several years to come. This is a company that has been established and has been very much a pioneer in this industry for thirteen years, and if you put that in context, we incorporated the same month that Palm incorporated in 1997. Palm was the very beginning of the mobile technology era. Beyond that, we have a management team with a proven track record that can take a company that is publicly traded and grow it very rapidly with a lot of responsibility around accounting and Sarbanes-Oxley. We also know how to go to market with new ideas, products and services and make the most of our opportunities. Those are the big three areas where we have advantage over everyone at this moment.

**CEOCFO:** Final thoughts, what should people remember most when they read about MacroSolve?

**Mr. Parr:** They should remember that we have been in business for thirteen years and we have a very firm foundation in the industry. We have a terrific reputation. We are always on the cutting edge and are now breaking into a market despite the slow-down in the economy; we are breaking into a market that is very robust right now.



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