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With Desktop, Laptops, Smartphones, Tables and Smart Televisions allowing Access to the Cloud, Stoneware, Inc. is in the Right Industry at the Right Time with their Web Based Strategy of delivering a Common HTMLS Desktop across all Devices

Technology
Distance Learning

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Rick German
CEO

BIO: Rick German, Co-founder, CEO and Chief Technology Officer - Rick is a co-founder of Stoneware, Inc. and has been the Company's CEO since inception. Rick is one of the key architects of Stoneware's Unified Cloud strategy and is heavily involved in the company's efforts to move web technologies as the predominant delivery mechanism in cloud computing. Prior to founding Stoneware in 2000, Rick was the Vice President of System Engineering for Cornerstone Systems. He has a Bachelor of Science in Information Systems from University of Iowa.

About Stoneware, Inc.
Established in 2000, Stoneware is a manufacturer of cloud computing and classroom management software. Stoneware's Unified Cloud Platform allows IT to provide users with access to their files, applications, and reports from a universal webDesktop. With the acquisition of LanSchool Technologies, LLC. in 2011, Stoneware provides award-winning classroom management and monitoring software known for being reliable, simple, and easy-to-use.

Stoneware is a privately held corporation headquartered in Indianapolis, Indiana. Stoneware serves clients in public, commercial, manufacturing, and health care.

Interview conducted by:
Lynn Fosse, Senior Editor

CEOCFO: Mr. German, would you tell us about Stoneware?
Mr. German: Stoneware is a cloud computing company. We build products that create a unified cloud where we bring public and private data center, local device applications and services into single cloud and deliver those through a web browser.

CEOCFO: What is different about Stoneware?
Mr. German: First, specifically with regard to the LENOVO acquisition was the capabilities to bring the device into the cloud computing strategy. We feel that over the next few years, many of the services and applications will remain on the device, so we need to be able to accommodate the device and make it matter in cloud computing. That is unique in terms of the strategy of what is out there in the cloud computing market. Secondly is to go back to that unified strategy where our goal is to bring it all together to aggregate it through one place. We really do not see that the world necessarily gets any simpler. We think you will see many services grow up in the public cloud space. Many organizations will maintain data and applications out of their own private data center and bringing it all together with the device, makes us unique in the market.

CEOCFO: What are some of the challenges of integrating the devices and what have you figured out that perhaps others have not?
Mr. German: The biggest challenge in where we see the market today is that many of cause and web technology has just treated the device pretty much like a dumb terminal. In other words, web and cloud really do not consider the capabilities of the device or how they can leverage the device and the delivery of services. We have been able to go and understand what is often called the context of the device. In other words, what are its capabilities, what type of video, what type of processing power does the device have and how might the cloud or the web leverage the capabilities on the device to create a better user experience or to improve the delivery of a service or maybe reduce overall cost of an IT infrastructure.

CEOCFO: Would you give us an example of what you are able to do?
Mr. German: A good example would be the ability to detect if the device is plugged into a power outlet. If a school or a college has students come in to take a test, it would be great to know whether the device connects into a wall outlet so that they will have power to complete the test. With the cloud computing capabilities or the cloud-ready client capabilities of the product, when they click on a test or an application out of the cloud, we can actually go verify the machine plugged into a wall before they go ahead and start to take their test. If it is not plugged in, we can notify them what they need to do in order that they have consistent power during the

testing process. It is an example of something that cannot be done just with standard web technologies but when we integrate this cloud-ready client technology, all of the sudden we are aware of the device, how it is connected to the internet, or whether it has power. Then, we can alter how we will deliver applications down to that device from the cloud.

CEOCFO: What is one of the most unusual aspects you have available?
Mr. German: One of the other areas besides the device integration is that we really take a solution approach instead of a point product approach to this move to cloud computing. Not only do we focus on the delivery of applications, but services and data are also things that we integrate into our cloud deliver. You can deliver applications. You can also connect to private data sources like patient and student record systems, accounting systems, and integrate that delivery of that information along with many of the other services like application delivery, single sign-on, and bio systems. It makes us unique that we bring together all the various services as a complete solution versus just being a point product, which is what you see in most cloud computing today.

CEOCFO: Schools seem to be a focus for you, are there others as well?
Mr. German: Education is an area that we have focused on and we are strong in. We have not just the cloud computing product, which is SCA or secure cloud access, but we offer LanSchool which is a management product designed around classroom management to simplify instructional teaching within the classroom. However, we are not just limited to education. We also have commercial customers and different public sector customers. One thing we have found over the last two years has been many of the moves in cloud computing which have been going on within the public space. They really were not

capable of deploying VDI solutions, so they moved on to something that was more web based fundamentally. There has been a ton of growth on the public side. We expect the same thing to happen in commercial as well.

CEOCFO: How do you reach potential customers?
Mr. German: We will do it with Lenovo and we will do it often with channel partners, web based marketing. Through our channel partners, we will reach customers and partners like CDW, SHI, Gov Connect, as well as leverage the existing Lenovo worldwide sales force.

CEOCFO: Would you tell us more about the acquisition by Lenovo?
Mr. German: The acquisition by

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> **- Rick German**

Lenovo was really around three key areas, one was to make the device matter in cloud computing. From a Lenovo perspective, as a manufacturer of devices, it is very important for them to understand the relationship of devices like tablets and smart phones, laptops and desktops and their relationship to the cloud, and to deliver added value when you connect the Lenovo device to cloud. If they were going to ignore that, you stand the chance that the device just becomes a dumb terminal and obviously that is not good for Lenovo's business or partners, so they had a real belief that the device should matter in cloud computing. Some of the work that we had done with Lenovo in this area of technology is very important to their strategic direction. Secondly, we wanted to take the core technology that we have to provide a

public offering for cloud. From a consumer standpoint, we will be going to provide a consumer cloud where a set of core services that we deliver within the product will have a consumer orientation or consumers will be able to leverage that as part of this Lenova public cloud. The third area is to continue to grow the business with the cloud computing product, the classroom management product, to grow that worldwide, and to leverage their growing business worldwide to drive product sales for both the cloud computing product and for the land school product.

CEOCFO: Why should investors and people in the business community look at Stoneware?
Mr. German: I think you will see that our approach to cloud technology through a very web based approach will continue to gain steam. Today, there are really two types of approaches to cloud computing, one being a more Windows centric approach and the other is a more web centric approach. Although we integrate Windows, we have taken a very web centric approach to cloud computing. I think you are going to see that part of the market in relationship to cloud computing grow over the next two years. Much of that is based on just the rapid growth of new devices in the market. Three years ago, we just worried about laptops and desktops. Today we find as Lenovo would call it, a PC plus approach where we have to consider that we have not just desktops and laptops, but we have smart phones, tablets and even televisions coming in the future. They are all going to be different types of devices that users will access the cloud with, so you have to take a holistic approach. This web based strategy of delivering a common HTML5 desktop across all devices is very important and will also become very important in terms of cloud computing.