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Q&A with Russell Schindler, President of SampleServe providing Cloud-based Software to automate the process of Collecting and Inputting Data and Creating a Report and Label for Environment Samples

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CEOCFO: *Mr. Schindler, would you tell us the concept behind SampleServe?*
Mr. Schindler: SampleServe started out as a company that specialized in collecting environmental samples. In order to make our own life easier we started creating a software to manage all the data, because there is just tons of data associated with environmental samples. As we progressed and made our software better, we realized that we could offer some value from that software to our customers. That became "if you hire us to do your sampling you will get to use our software as well". As our software kept getting better and better eventually some of our clients asked if they could just use our software and have their own people do the sampling. At first my answer was no, we are a sampling company. But then as I was walking out of that client's office, an international engineering firm, without any business, I was wondering if I should just let them use the software so I would at least have some business from them. That is how we got into the software business.

CEOCFO: *How does it work?*
Mr. Schindler: It is fairly complicated but right now when people go and collect an environmental sample they basically hand-write the label that goes on that bottle, so all the data is in hand-written form. They usually have hand-written instructions, or Microsoft Word that tells them what they are supposed to do out in the field. When the sample then arrives at the lab, the lab has to enter all the data and obviously that is an opportunity for a lot of typos, because you cannot read people's writing. The lab then takes that lab data after they have analyzed the sample and they send the client, the engineering firm, an Excel table. Then the engineering firm takes the Excel table and the hand-written field notes from the person when they are out collecting the samples and they compile a report and usually use Microsoft Word, Excel, AutoCAD or a GIS program to make these reports from these different sources. These reports have a great many graphics as a picture is worth a thousand words, so we use the data and they use the data to create maps, contours, iso-chemical contours, 3-D renderings, of what the other images of what it looks like underground. Graphics so that your brain can interpret the problem easier with a good image. That is the process that our software is replacing. We kind of automated all that and the project manager can go into our software, set up the program and the field technician uses a template that goes out and pulls up the work scope on the tablet. They can enter the data right into the tablet; the tablet then syncs with a Bluetooth thermal label printer and prints the label for them with a barcode on the label. Now when that sample goes to the lab, the lab can just read that barcode and all that data that is associated with that sample gets uploaded to the lab system. The lab does not have to type anything in and it eliminates all the typos. When the lab

uploads the data back, it pushes it back to our cloud based system and we can generate those same graphics that a consulting engineering company may take two days to do, we can create those same images in about six seconds.

CEOCFO: *Is a sample a sample a sample; does it matter what is being sampled?*
Mr. Schindler: Not really. There is obviously different nomenclature, different units that you are going to measure. The material is different and the nomenclature is different but a sample is a sample is a sample.

CEOCFO: *How have you decided how to price your solution?*
Mr. Schindler: We are still debating the exact way to do this and we probably always will. We decided to go on a unit price per sample, so it is a subscription based on the number of units and samples it collects. The reason we went with that method was because they have corner gas station that you sample once a year and it might only be eight wells, eight sample locations. You may have a refinery that has three hundred sample locations that you sample quarterly. It is just a flat subscription fee and it is not fair to a small guy if you are charging the same price for a full site, and the value is a great deal higher for that refinery. We decided to scale the pricing with the number of samples collected. Right now we are targeting between eight and ten dollars a sample and that includes everything. Our business model is very unique as well because we are going to give away the mobile app and al the front end part of this, the project management part, laboratory features and the mobile app and the label printing stuff. It is all going to be free. Our business model is that we want everyone in the country using our app and pushing data into our system. We will actually do generic tables back to them for free but our model is based on selling them these reports that I mentioned with all these graphics. We cannot sell them a report or a graphic unless we have their data first. We are going to give them a bunch of value for free to push the data into the system and then when they go to pick up their data, we are going to show them the graphics and say hey this graphic that is going to take you two days to do, well you can have it in six seconds for a nominal fee. Just enter your credit card number and you are done. It is working, people are interested and purchasing. We are still scaling things and working out some bugs and making the user interface a lot friendlier but that is how we got on the pricing model, with a pivotal way upfront. Eventually we will have more information than the EPA does.

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CEOCFO: *What have you learned about technology since you started this whole process?*
Mr. Schindler: I am a Geologist to start with and never fancied myself to be a software developer. I took the approach that the best way to learn a language is to go and live in that country. I submerged myself into technology and started going to software developer conferences and meetings and meet-ups and breakfasts. I submerged myself into that world about six years ago. I am still not a programmer, I do not write code or anything but at least I know what they are talking about now and I have learned how they approach projects and how they manage projects and it is completely different from managing an environmental project. It turns out software development or building an app, is a totally different process. Overtime I just learned how to deal with those people, but still do not know how to write code myself, but I know how to manage people that write code.

CEOCFO: *Regarding security; how do you address the issue?*
Mr. Schindler: Security is very important. We are using all the modern encryption and two-part authentication where your mobile phone is tied to the thing so if somebody else tries to use your password. Most breaches of security have to do with a username and password. Our system if it fails will be because somebody on your part gave up their username and password. We use Amazon web services as our hosting and data management system. They do backup, so I do not think they will ever be able to lose data. The weakness is the username and password and we try to help that out by two-part authentication, if you forget your password. However, it still does not stop somebody from writing their password and posting it on their screen or using the same password for every place they go to.

CEOCFO: *How are you reaching out to let the world know what you have?*
Mr. Schindler: We go to seminars, tradeshows, and do a lot of LinkedIn writing and blog posts. We do direct mail as well and direct email.

CEOCFO: *How do you stand out a conference?*
Mr. Schindler: I always try to get on a list of speakers, so I can get up and be one of the featured speakers, which gives you credibility when you are up in front of a large audience. When we do have a booth, we have to have people there that are going to be engaged. They cannot be sitting there on their phone, they have to be engaging. One of the eye-catching things we have is our mobile Bluetooth printer. It is a little printer that you can hook to your hip and we will just print off a bunch of labels. It is eye-catching and people ask what it is and we say they are sample labels. Anyone who has ever

filled out a sample label will immediately say, "Oh that would be so nice, not having to hand-write labels". If I had to point to one thing, that is probably the biggest thing is we just show them the label printer and people are interested.

CEOCFO: *Are you still doing much sampling yourselves?*
Mr. Schindler: We still do the physical sampling although we are not pushing that as much as we used to. It used to be the main part of our business and we still do it. That is where we learned what works and what does not work. We probably will still be doing the sampling for the foreseeable future, but we are not looking to expand dramatically that portion of our business. We are actually going to try and develop affiliate partners so that we can have other sampling businesses and other locations that use our system. With that system, we will get a little bit of the revenue as well.

CEOCFO: *Are there certain industries that seem to be showing more interest?*
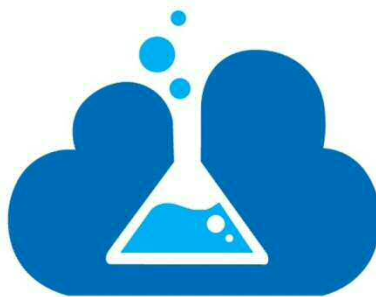**Mr. Schindler:** Yes. Oil companies and companies that own 25 to 250 gas stations where they have to hire engineering companies to do a lot of this work and the engineering companies bill by the hour. I am not knocking engineering companies and their business model but there is a big difference between taking two days to do a report and six seconds to do a report. It is kind of cutting in to the engineering companies' business model. Obviously, the oil companies like it because we are a lot cheaper by a factor of 10, we are about 10% of what an engineering company would charge. The manufacturing companies also like it or anybody who owns multiple sites of contamination. There are also dry cleaners and manufacturing facilities. We are going to potentially be working here shortly with one of the big three automotive makers and they have facilities all over the world.

CEOCFO: *Is it possible for a customer to customize what they see in a report?*
Mr. Schindler: There are some standardization to the reports. People also like graphics like a heat map where a hotspot is kind of red and radiates out to a blue or green as the levels go lower. Then ground water contour maps showing you where ground water is flowing with contour lines and elevations. Those are kind of more standard maps. Some people want them more customized one way or another. Our software allows them to print out standard ones or print out slightly customized reports. We are building more customization all the time. We just started out with the basic reports and adding customization as customers ask for it.

CEOCFO: *Why use SampleServe?*
Mr. Schindler: We can more efficiently take your data from the field to the report easier, faster and cheaper.