

Q&A with Joseph Matthew, CEO and Co-Founder of Software WORX INC providing the only Artificial Intelligence (AI) Based Cloud Cost Optimization Tool that helps Organizations Manage AWS Cloud Capacity and Expenditures showing Cost Savings for Using the Cloud in 3 Minutes



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A product of Software WORX INC

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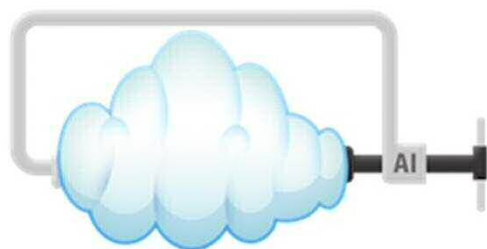
Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: *Mr. Matthew, what is the idea behind Software WORX INC?*

Mr. Matthew: Software WORX is a company that helps customers who have been in the cloud for some time. For the infrastructure side, IT hosting is in data centers or the cloud. In the last five years, there has been a trend towards the cloud. We specialize in customers who have been in the cloud for a year or more. The traditional movement of infrastructure from the data centers to the cloud happens through switching between CAPEX and OPEX expenditures. There are many cost benefits, and the cloud is cheaper by about thirty percent, which is relatively accurate and people have received that kind of savings.

CEOCFO: *Why after someone has been in the cloud for a year? How did you decide to work in that market?*

Mr. Matthew: We had been in that space for over eight years. We were an early adopter of the cloud, specifically Amazon Web Services (AWS). We came across problems that we encountered as a business that there were no solutions for in the market or the way the products that had answers, the big players, their approach it was much of the former traditional data center thinking. Therefore, the benefits of the cloud were not being applied because of all the old thinking of the conventional data centers had just crept into the cloud.



Cloud SQUEEZE

CEOCFO: *Would you explain what a company might be looking for when they turn to you and how you would help them?*

Mr. Matthew: Currently, companies spend for infrastructure in the cloud, and some companies pay a few hundred to some upwards of a million a month. For companies that spend on Amazon Web Services (AWS), we help identify the cost savings. Our current track record is that we can find 10 to 55% savings, some instances higher than 55% savings. We provide an artificial intelligence (AI) based cost optimization tool that shows the cost savings in 3 minutes, irrespective of the size of the cloud fleet.

CEOCFO: *Would you give us a simple example of where you can find the savings and then one that is a little bit more complex?*

Mr. Matthew: Yes. The most prominent savings area is in the virtualization technology, or more simply the type of server, to oversimplify it. There are

many features of these virtualization technologies where compute workloads can or cannot use. By selecting the right kind of virtualization technology that a workload can use now, we deliver the vast amount of cost savings. A more complex types are various configurations and setups, where amounts accrue on things that a customer isn't using, example storage types. There are multiple types of storage classes and choosing the right storage types to attribute savings. The way we differentiate from all other products in the market is that we look at what their application can use and select the appropriate type of virtualization or storage, that would run their workload comfortably now.

CEOCFO: *Is this all analyzed with technology? Is there a human component as well?*

Mr. Matthew: We do this with serverless technology and artificial intelligence (AI), no humans other than for customer support. We do this without requiring our customers to install any clunky software or changing any lines of code, typically in three minutes. We use a great deal of training data that we have trained an artificial engine based engine that analyzes all of those cloud logs, that most of the time people do not have time to review these logs. We apply that training to the customer's data and do all of that in about three minutes.

CEOCFO: *Do you then help the people implement changes? What happens next?*

Mr. Matthew: Our recommendations are easy to follow and we are gradually adding video links to our advisories on how to make these cost savings alterations. If you have significant savings opportunity, relative to the cost of making changes and need extra assistance in realizing them for a fixed fee, we may do this on a case-by-case basis. We hope to focus on automation and simplification of these tasks.

CEOCFO: *What types of companies are turning to you?*

Mr. Matthew: As of now, it is companies who have been on Amazon Web Services (AWS Cloud) for a year; some as much as four or five years. They range from startups to companies that are medical space where they have got vast amounts of data, and they have stored lots of data all over and have a lot of moving parts. They are spending twenty to fifty thousand dollars or more per month in Amazon Web Services.

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CEOCFO: *Are there any particular industries of focus?*

Mr. Matthew: There is a maturity in using the cloud, I guess. Some people are moving from traditional infrastructure to the cloud, so it is not a good point for us to help that market. They need to be in the cloud for at least six months to a year before they start recognizing some of these problems and our product helps across industries. The tech guys are probably early adopters that we have on our platform today, but we have had the medical industry guys. However, it is typically a CTO or someone like that who would engage us or talk to us before they work with us. There is no limitation on any industry because it is across sectors.

CEOCFO: *You have just launched CloudSqueeze.AI. What have you learned through the beta testing and how are you promoting the product?*

Mr. Matthew: We have learned that for the vast number of people the savings opportunities in the accounts are far more than what we initially thought. I think these numbers of 7% to 55% percent is an under promise. From a handful of accounts in beta phase, we have helped squeeze \$100,032 savings from a total spend of \$568,716 and growing.

CEOCFO: *Is it that there is more depth in the various services or are you are finding many more parts to the puzzle?*

Mr. Matthew: There are many more parts to the puzzle. People want better accountability and better automation in the cloud, which is a good thing. However, we are just focusing on the things where the market is ready now. We are an Amazon Web Services partner. They send us quite a lot of traffic from themselves. The big thing that the market is asking us is for is Microsoft Azure and Google Cloud. In a few months, we hope to have for Cloud Squeeze offering for Microsoft Azure.

CEOCFO: *What is your business model?*

Mr. Matthew: We are a Software as a Service (SaaS) type business. The way it works is that we sell with a promise that we will find at least 5%, ideally much more savings in your account. We charge 3% of the cloud spend. If for some reason we cannot find 5% savings then the monthly subscription is free. We are continually working our algorithms to discover these savings opportunities and also to make it easy for people to implement these savings. We also offer an affiliate

marketing offering for our promoters, typically AWS architects, DevOps and other such individuals who run blogs to promote us. They also make money for enabling these savings for customers.

CEOCFO: *Why not a one time or once a year or once in six months? Is it that things change so rapidly ongoing review is necessary?*

Mr. Matthew: In the past, if you wanted some infrastructure it could take 1-3 years between getting the business case, provision it, get it set up, installing and getting it ready. In the cloud, if you decide you want to have another computing device it takes thirty seconds. Therefore, the cloud is a dynamic environment where new resources that accrue cost are popping up all over and unless you have controls, governance and all these in place to ensure a cost optimized end state. In short, the ease of spinning up new resources is what creates the need for ongoing monitoring as opposed to an annual audit.

CEOCFO: *What is your geographic range today? Are people primarily in the US?*

Mr. Matthew: We have got customers from the UK and Canada and India surprisingly. We have quite a few customers that have come from India. The vast majority, 60% are in US.

CEOCFO: *What is your strategy for the next six months or so?*

Mr. Matthew: We are building upon this revenue stream and this product and there are things in the pipeline; on going development. There are a couple of other products from the same market basically for the cloud market. Therefore, our hope and our vision is that we can serve this market with automated tools, all leveraging artificial intelligence that simplify their lives.

CEOCFO: *What is the competitive landscape? Have others tried something similar?*

Mr. Matthew: Yes, there are quite a few competitors in this space. There are probably about seven or eight companies. They all approach the cost optimization and cloud aspects entirely differently. Most of these companies are well capitalized in the fifty to one hundred million-dollar range. However, they have all spun up in the last year or two or three.

CEOCFO: *Are you seeking investment or a partnership?*

Mr. Matthew: Yes I am. We are just getting ready to launch a crowd funding type investment into the company and the platform for the reason of the additional things we have in the pipeline.

CEOCFO: *Why is your approach better than some of the others? How does it differ?*

Mr. Matthew: The big difference is there are many hidden agendas of different companies because of their service based revenue or how they get incentivized. For example, infrastructure vendors have a concept of buying something called reservations, and you put an amount of money as a commitment to keep something running for one year. Others are service focused and look for ways to find billing opportunities. All these kinds of incentives or hidden business agendas impact decision making for the end customer regarding realizing the cost savings. Thus, where we are differentiating ourselves from everyone else is that we genuinely care about the customer. It does not matter if you are few hundred dollars or over a million dollars a month. We care about the customer and are in the business of delivering value to our customer in a measurable way and making it easy for people to navigate the cloud.

CEOCFO: *What about the customer service side? I know you want your service to be self-explanatory, but not all of us understand everything we should.*

Mr. Matthew: This is the struggle we are in. We constantly get asked, "Can you make the changes for us." We are resisting that as much as we can, because it is much easier to make money from the service side than on the product side, as the revenue is larger there. However, we are resisting making money from the service side and just make it pure product where it is automated where someone can just click a button and get it done, rather than selling time.

CEOCFO: *How do you spend your time as CEO?*

Mr. Matthew: A significant portion of my time goes into content marketing and speaking in the AI circles on how artificial intelligence is a game changer. It will impact every business area in the next few years. Someone said this to me, and I have wrestled with it, and I think this is very true, that in the next year or two either a computer will be telling you what to do or you will be telling your computer what to do, and I want to be on one side of that! You look at the Uber's and even the doctors for example - a computer is telling a human what to do to earn their living. I want to be on the side of directing a computer what to do, and in this sense, AI is a game changer.

CEOCFO: *Why pay attention to Software WORX Inc? Why does Cloud Squeeze standout?*

Mr. Matthew: Cloud Squeeze is currently the only artificial intelligence (AI) based cloud cost optimization tool that shows you your cost savings in 3 minutes, irrespective of the size of one's cloud fleet. We are approaching the cloud in an

entirely different way using artificial intelligence (AI). There are a few other people that are starting, but we have already got our product out. We have got two or three additional products in the pipelines that are all built upon the artificial intelligence. Our vision is to be known for a company that genuinely cares about their customers and delivers on the promise - Cloud simplified with artificial intelligence.

Software WORX