

Corent Technology: The “Intel Inside”® for the Cloud!

With their Turnkey Comprehensive ‘Software-as-a-Service’ Enablement and Operations Management Platform, Corent Technology is Eliminating Capital Budget Requirements and “Time to Market” for Software Companies Offering a SaaS Solution on Any Cloud

**Business Services
Cloud Computing**

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**Feyzi Fatehi
CEO**

BIO:

Feyzi Fatehi is a Silicon Valley veteran with over 25 years of leadership experience building high performance teams at HP and three software startups that commanded more than \$1 billion in valuation. He has been a speaker at Harvard Business School, Wharton, Stanford, Pepperdine, Cal Tech, and UCLA Anderson School of Management.

Feyzi is a member of the IBM Partner Advisory Council, as well as the UC Irvine Chief Executive Roundtable.

He was appointed to the board of the Software and Information Industry Association (SIIA) in 2012 and serves as the chairman of the Technology Council of Southern California Orange County Chapter. He has a degree in Solar Engineering, a master’s degree in Software Architecture and an MBA in International Management.

About Corent Technology:

Corent Technology is a disruptive innovator in the Cloud Computing space. Corent’s SaaS Enablement Platform was named the “2012 Cloud Product of the Year” at the 19th Annual High-Tech Innovation Awards. Corent’s SaaS-Cockpit™ is an innovative, turnkey, comprehensive operations and management platform for SaaS providers. Corent’s Multi-Tenant Server™ provides an unprecedented software “plug-in” approach to instant transformation of conventional, single-tenant software applications into robust elastic, multi-tenant, cloud-ready SaaS solutions. Corent is managed by a team of Silicon Valley veterans from companies such as Apple, IBM, HP, Oracle, and SAP.

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

CEOCFO: Mr. Fatehi, what is Corent?

Mr. Fatehi: Corent is a software company created with the intention of disrupting innovation in the area of Software as a Service, also known as SaaS, the software aspect of cloud computing. Corent is modeled after Intel Corporation’s now famous “Intel

Inside”® concept. When Intel built the core processor of computers and made it available to everyone, many PC companies like Dell and Compaq were created, then HP, IBM, Toshiba, Sony, and many other technology companies became PC vendors practically overnight, because they used the proven core computing capabilities that Intel (and a few others like Motorola and AMD) provided to them at a fraction of the cost and time it would have taken each of them to come up with a similar processor for their own PCs. The idea for Corent was to build a “software engine” to act as the *core* of modern enterprise software applications; hence the name Corent: Core Enterprise! Therefore, every single software application company will not have to reinvent the wheel and develop all of those core capabilities themselves and instead focus on where they can differentiate themselves from their competitors. They can focus on their own core competencies and their specific domain expertise. If they are in the education space, they can focus on education related capabilities, if they are in healthcare space, they can focus on healthcare related capabilities, and so on, rather than every single software company trying to replicate all of the plumbing that is necessary to have a state-of-the-art software application which in today’s terms translates to software as a service or SaaS -- a software application that is efficiently delivered through the internet with the lowest possible cost of service per customer.

CEOCFO: What were some of the challenges in putting together software that could work in so many realms? What did you figure out at Corent that others had not thought to do which enabled you to develop the product?

Mr. Fatehi: Delivering a service is very different than delivering software. Software is a “thing” that is delivered one time on a CD or someone downloads it. Service is something that is up and running twenty four by seven. There is a service level agreement in terms of performance, reliability, up time and there are significant amounts of capabilities that are required to run a service that are not required to run software. For example, when you deliver software as a service you need subscription management, customer capacity provisioning, monitoring, reporting, usage metering, billing, invoicing, users and admin role management, dashboards, data aggregation across thousands of customers. You have certain level of customization for each customer, identity management, and different types of security and access control by role, I could go on and on. Very few of them are required if you deliver a “thing,” i.e. software, to each customer. Many software companies, just because they are “software companies,” keep consuming their valuable and scarce resources developing all these features, functions, and capabilities. To make matters more complex, there are many point solution software providers that provide only one of the above capabilities. For example, there are multiple billing providers, multiple subscription management providers, multiple identity management companies, and multiple dashboard and reporting providers. The software companies that want to deliver their software as a service have to decide whether they are going to get all these different point solutions and integrate them together and then interface them with their own software application in order to deliver software as a service, or

start building all these capabilities from scratch themselves, but the problem is that they are not in that business. In many cases, it takes eighty percent more effort to build all of these tools than the twenty percent effort for them to build their own core healthcare, education, CRM, or whatever kind of software application they offer. It is a dilemma in the industry. I recognized this around the turn of the century and said “wouldn’t it be nice if the same way that the “Intel Inside” concept helped enable Michael Dell to build Dell...someone would create an equivalent for the software industry!?” (By the way, I was attending UT Austin when Michael was there and was working on starting his original PC company.) Dell quickly became a computer provider at the same level

“Corent is modeled after Intel Corporation’s now famous “Intel Inside”® concept. The idea for Corent was to build a “software engine” to act as the core of modern enterprise software applications; hence the name Corent: Core Enterprise! Today we are pleased that we are delivering the “Intel Inside” vision for the software industry, and getting broad industry recognition including winning the 2012 Cloud Product of the Year Award. What VMware did for hardware, Corent does for software. We practically eliminate capital budget requirements and “time to market” for software companies who want to move to their next chapter with a software-as-a-service offering.”

- Feyzi Fatehi

as HP and IBM, just because Intel did some of the heavy lifting by providing “the core,” the chip that was the brain that went into each computer. Wouldn’t it be nice if someone could take the lead and create a product that becomes the “Intel inside” for the SaaS industry so that every single software company did not have to do what only a few companies with access to a lot of human and financial capital like salesforce.com managed to accomplish? In other words, democratize access to software as a service technology for transforming software to service. That vision started to germinate about twelve years ago while at the middle of Silicon Valley’s initial wave of cloud and software as a service revolution. To-

day we are pleased that we are delivering the “Intel Inside” vision for the SaaS/Cloud industry, and getting broad industry recognition including winning the 2012 Cloud Product of the Year Award and multiple other prestigious awards. Incidentally, the branding advisor who came up with the name Corent for us was part of the team who had helped come up with “Intel Inside” branding campaign for Intel years before.

CEOCFO: Does the industry by and large know about you? Is it common knowledge? Where are you in getting people to understand who you are and what you have?

Mr. Fatehi: We are at the earlier stages of that phase. The curve is rising. Winning these awards, getting the recognition, and being invited to speak at Harvard Business School, at UCLA Anderson, at Stanford, at IBM Innovation Centers, at HP headquarters, and speaking next week at the Cloud Channel Summit, a major B2B Cloud conference in Silicon Valley, certainly help. We are getting there. Our name is getting there. The concept, which is a brand new concept in the SaaS industry, is getting there. We just created an ad that is going to run in Silicon Valley. The concept is “What VMware did for hardware, Corent does for software.” Others call us the OpenView for SaaS. Many people still believe that if you are a software company you have to develop every piece of software that you need yourself. Not so. Instead, you can stick to your expertise, your core competence, and let someone else do the rest. We want the software companies that provide a core value, to focus on their core value, education, supply chain, healthcare or whatever software solution they provide. They provide the *core* and we provide the *context*. The context is all these SaaS capabilities and the plumbing to allow them to deliver their software as a service. We are getting there. We are grateful to our partner, IBM. (By the way, our

platform is technology agnostic and runs on any cloud. We have customers that are running on Amazon, OpSource, Rackpace, Savvis, and basically any public or private cloud.) However, IBM discovered us first and they partnered with us and encouraged us to invest more in technology alignment with them. We are grateful for their win-win co-branding with Corent that further helped our name to get out there. Their cloud organization named us as their very first certified cloud specialty technology provider partner. The Wall Street Journal covered that news. At WSJ, they must have said something like "IBM is a technology provider to the world. Who the heck is this company we have never heard of that is the first certified technology provider to the IBM Cloud?" WSJ, as well the Financial Times of London, covered us and further helped our name to get out there. Having said that, our colleagues at IBM tell us that close partnership with Corent has also helped IBM to be seen at the forefront of the cloud SaaS enablement platform innovation movement

CEOCFO: When you offer the concept to people who should know do they get it right away? Where is the "aha moment"?

Mr. Fatehi: I have been preaching this concept for twelve years. For the first eight years people would look at me as if I was smoking something. That is the closest that I can describe the look. That was despite the fact that I had proven industry and technology credibility behind me such as being one of the five HP engineers who invented the first real-time database. I have a Master's degree in software architecture and an MBA. I have helped build billion dollar business units at HP, despite that whenever I shared this vision (with my typical enthusiasm I should say) they looked at me and said something like "Okay, it is time for a break. Let's go have a walk!" However, I kept preaching the vision! I was passionate about it! I wanted to make that "Intel Inside" vision for the SaaS industry a reality... and of course our team rallied around it and started to own the vision with much justified pride of ownership.

The good news is that our team's perseverance has started to pay off and in the last eighteen months or so it is hard for someone *not* to "get it." People say "Of course! Wow! How come we did not think of that?" A CEO looked at his CTO and said "John, have you been thinking about this? You have been talking this cloud thing forever!" And people just say "Wow! Is it true? Can it work?" Now, that the idea is accepted people's questions are around "does it work?" These days we are having almost one press release every couple of weeks announcing a new "SaaSified" customer; including small, large, massive and global companies. For example a mobile application company based in Singapore was recently SaaS enabled. Another promising company we SaaS enabled is based in Hong Kong and Manila and now can compete with some of the multi-billion dollar SaaS companies in the world. Some of these transformations happen over a week or two. Instead of telling people to take my word for it, I would say "here are the press releases and testimonials; here is the website to go to." Starting in the last four to six months we can do even better. Instead of saying go talk to our customers, we say give us your application or download your application here and give us access to it and in twenty four hours we will show your application as a fully functioning, operating SaaS solution! How about that for believing in our message? We just did that for two, major IBM products and we just showed them back to their management team. We said, "You know you have been working on this for two years and now within a few days here is your product, as a fully functioning SaaS solution, including billing, subscription, multi-tenancy, and operations management." It is like "just add water." All you have to do is run it on any cloud and you have a fully functioning SaaS business. We instantly enable your business to go and compete with your competitors who are trying to develop their SaaS in the next three years in house, or they are just raising another ten million dollars to keep developing these functionalities. I was speaking with a well-known software

CEO in Silicon Valley and he had just raised another thirty million dollars. I said "Haven't you raised north of one hundred million dollars already? Why did you raise another thirty million?" He said, "To build all the tools around our product. We are realizing that in order to deliver a scalable SaaS we have to have all these capabilities." I said, "Like what?" And he just went through the list. I said, "Look, I can plug in all these capabilities into your solution overnight. I am not even going to charge you for proving it to you. We did it. We quickly delivered the fully "SaaS-ified" capable solution to them. All we had to do was go download a free trial version of their software that was available on the web to everyone and send it back to them fully SaaS-ified! Those are the "aha moments"; when someone sees their own "baby" now as a PhD graduate. You do not have to spend all of these years and money to do it yourself. It is done. It is funny to look at the faces of people when we are with them, or on the web conference, listen for those wows! The word "wow" is the most frequently used word when people see the SaaSified version of their product. After that the word "intriguing" comes up a lot. Then, the other most frequent thing said is "How did you do it?"

CEOCFO: Okay, how did you do it? What do you answer to that? How much do you tell them about what you have created?

Mr. Fatehi: I tell them our story, that this has been our vision and we have had a large, capable and determined engineering team working on it for years. We have made our mistakes. We have tried different approaches. In the process, we have become one of the most knowledgeable teams about this subject because we have succeeded, we have failed, we have changed, the underlying technology has evolved, and we have evolved with it; therefore, all the mistakes that your CTO, your VP of engineering, your development team are bound to make, "we" have made them a few years ahead of you! We have been thinking where the puck is going to be. We have been aiming for this, for when our readiness meets the market

requirements. We predicted this. We are ready for it. Right now, we have done your work for you. Within a few days you will know whether it works for you or not. Give this a chance. If you do not like what you see then go and raise millions of dollars and spend the next few years developing your own capabilities. There is a seasoned software CEO in Southern California whom each time I had seen for the last year I asked, "When are you going to give this a try? What are you afraid of?" It is like Steve Jobs saying "Don't be afraid! You can do it!" We are saying, "Don't be afraid, we can do it!" Well, we eventually compelled him to do it and within days this individual became a passionate "evangelist" for Corent. Wherever he goes, whatever event or conference he is at, he starts talking about Corent. Having the new SaaS solution is also helping him raise money. It took his company to the next level and expanded his capable software solution to a broader market as SaaS. People have to get off of the mental reservations they have with a new technology, and most people do. They have to keep an open mind, especially because there is no down side to it, and give it a try. That is the phase that we are in. People who were at VMware in 2000 and 2001 around the time when VMware's products were officially launched; (the company that provided virtualization that revolutionized the whole cloud computing landscape, currently a \$36 billion company) those people say that the first two or three years they experienced the same thing over there. People were asking "Is that secure? Does it work? Is it reliable? Unbelievable, this cannot be done, Can we do it ourselves?" We are practically getting all of those questions. There are people who ask those questions and wait – and there are people who use our technology and get into the SaaS market or create a brand new company around it. They get way ahead while other people are scratching their heads and are trying to figure it out. For free trials, there is no obligation, give us a chance. Within twenty four hours you will see your solution working as fully functioning SaaS. If you like it you

move forward, if you don't, you have not lost anything.

CEOCFO: What do you see a year from now? What is your strategy? Can you handle the potentially large influx of customers?

Mr. Fatehi: We already see the tsunami coming. IBM has started doing breakfast sessions with us in some major cities that IBM has an office, starting with California. Every week they are inviting software vendors to come for breakfast to listen to Corent and how we can rapidly SaaSify their software on the IBM SmartCloud. IBM UK is doing a webinar for over five thousand software vendors in the UK promoting Corent. Yes. We see the tsunami coming. Our EVP of engineering - who happens to be a co-founder of the company - committed that in the next four-six weeks we can put our platform on any cloud and make it available for customers as a "self- service" offering enabling a "try and buy" sales model. That way, we take the traditional software sales process out of the equation. If customers want to directly connect to the service provided by a cloud provider and then see the resulting SaaS solution, it is easy enough for them to experience it and if they like it, then they can buy. We basically take the dependency on human interaction out of the process as much as possible, in order to help people try this. Having said that, we believe that global demand for our offering would be much higher than a small company like us can handle; we have just about one hundred people in the company. Therefore, we are establishing partnerships with bigger cloud and IT organizations that have the support services, the sales infrastructure, and global presence. That way, we do not become resource constraint. For example, we are partnering with one of the key IBM partners in the UK who would like to represent us there. Too much demand is a good problem to have. It is a problem that we welcome and are gearing up to deal with.

CEOCFO: Is Corent funded through the next steps of growth?

Mr. Fatehi: We are privately funded. Instead of taking the venture capital

route, we selectively invited a small and elite number of individuals to directly invest in the company. They are mostly CEOs who have built their own companies as well as a select number of executives from the top tier Silicon Valley corporations who understood the breakthrough nature of our technology.

Later on, as we get to that next phase, either we need to raise a lot of capital for exponential growth that we anticipate, or become a business unit within a larger corporation that has all of the plumbing or resources necessary for growth already in place. One way or another, those resources need to be provisioned and funded. We anticipate to be at that fork in the road before we know it!

CEOCFO: It is an exciting time for you and the company. As things are ramping up how do you keep focused and pay attention to all the nuts and bolts that might slip through when you are in this phase?

Mr. Fatehi: We have been blessed by being in a position to attract a top notch management and development team as well as a superb advisory board. Members of the management and advisory board are people who have built companies, bought companies and sold companies. Within our advisory team, probably one hundred twenty companies have been bought, built, sold, and financed. Therefore, we are very privileged to have the advice and the experience of our advisory board available to me, to the management team and to our board of directors. That is one of our first lines of defense or offense, depending on how you look at it. Not only do we have the benefit of knowledge and education, but we have the experience. Most importantly, we have the benefit of the wisdom that comes above and beyond simple experience. I feel very blessed from that perspective. Any time there is something that you would like to get a second or third opinion on, there is an advisor who is there to step in and provide a very intimate sharing of personal experience and wisdom with us. We are very grateful for that.

CEOCFO: Why should investors and people in the investment community pay attention to Corent today?

Mr. Fatehi: Because we are a game changer. We live in a world where capital efficiency and “time to market” are key competitive advantages to companies. We provide a significant level of capital budget efficiency to our customers. We practically eliminate capital budget requirements and “time to market” for software companies who want to move to their next chapter with a software-as-a-service

offering. By eliminating capital budget needs and by eliminating time to market we instantly put them in the business of doing a SaaS land grab while their competitors are scratching their heads trying to figure out what to do. Those who are visionary enough that are focused on their business do give us a chance to help them become the dominant player in their space and in their market. We are happy to work with those pioneers who want to challenge the incumbents and be the rising stars that capture the market be-

fore others wake up and see the new possibilities. As the saying goes, there are three types of people; those who make things happen, those who watch things happen, and then those who wonder what happened. We want our customers to be the ones who make things happen and leave the rest of the market - those who watch things happen and those wonder what happened - behind and watch them in their rear view mirrors.



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