

Fluegge Consulting Group



Iron Mountain Levels the Playing Field for Software Entrepreneur

CUSTOMER:

Fluegge Consulting Group

CHALLENGE:

Convince prospects that additional risk is not incurred by choosing a start up software vendor in today's economy.

SOLUTION:

Fluegge Consulting Group established a FlexSAFE escrow agreement for all customers, leveling the playing field for GADS Next Generation software solutions.

BENEFIT:

Technology escrow, furnished by Iron Mountain, allows prospects to choose the best solution based on the merits of the software, not the size of the company behind it. Customers know that they will be able to gain access to the software source code if Fluegge Consulting Group ever ceases operations.

THE CUSTOMER

In response to the great blackout of 1965, the North American Reliability Council (NERC) was formed in 1968 and came up with the Generating Availability Data System (GADS) to collect, record, and retrieve operating information for improving the performance of electric generating equipment.

Fast forward to the new millennium. Fluegge Consulting Group, based in The Colony, TX has developed GADS Next Generation (GADSNNG), an advanced software solution that electric generating companies can use for data entry and sophisticated analysis and reporting of this data.

By gathering data streams from generation equipment throughout the enterprise and analyzing it with specialized GADSNNG software, electric generating companies can improve system-wide performance, decrease maintenance costs, and lower outage rates. Reporting GADSNNG data to the appropriate state, regional, national, and federal agencies ensures that the bulk electric system in North America is reliable, adequate and secure.

THE CHALLENGE

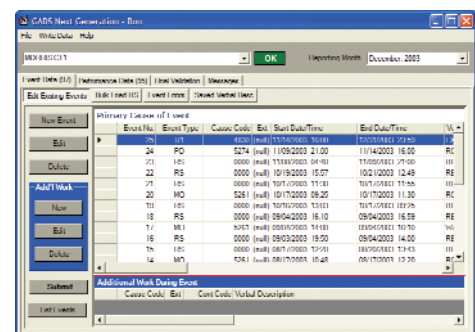
Ron Fluegge, managing partner of Fluegge Consulting Group and founder of GADSNNG, has been writing software for the electric power generation industry since 1983, where he developed MicroGADS, the original, and most widely used software product in this industry. He states, "When I found out that I couldn't buy my original software program back from my former employer, I improved on it."

Therefore, when he created GADSNNG in 2002, he knew that the software he developed for data entry and reporting and analysis at power generation facilities was truly "next generation" software – better than anything currently in use.

"Placing the software source code in an escrow account levels the playing field when competing 'head-to-head' with my larger competitors. I could not have gotten to this point without Iron Mountain. It's as simple as that ..."

—Ron Fluegge, Founder, GADS Next Generation

When Fluegge meets with prospective customers and demonstrates the GADS Next Generation software applications, the technical people in the room tend to get very excited about the software solution and what it can do. However, the contract managers inevitably bring up the issue of the viability of this entrepreneurial company.



THE SOLUTION

“This question comes up in every sales presentation,” reports Fluegge. “Then I tell them I already have them covered through a technology escrow agreement with Iron Mountain, and it then becomes a non-issue. It levels the playing field.” That’s when Fluegge can continue selling the benefits of his software.

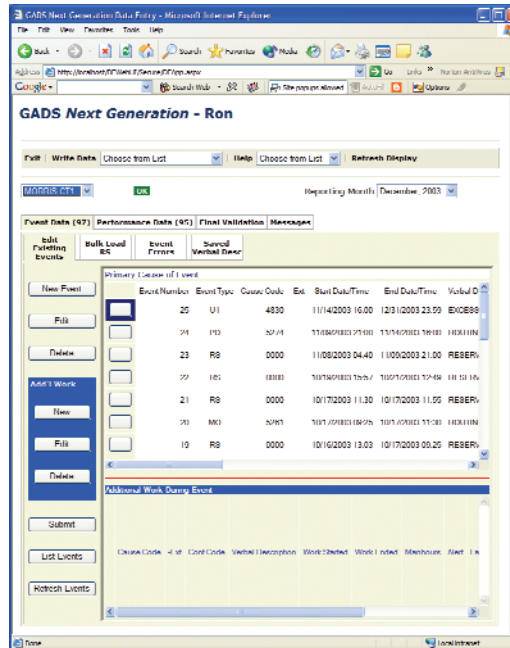
Fluegge investigated technology escrow at the launch of his business, so that he could proactively address viability concerns. After researching half a dozen different vendors, Fluegge Consulting Group chose Iron Mountain based on the variety of escrow services offered and the fact that Iron Mountain’s nationwide network included a local Dallas, Texas office. Fluegge Consulting Group entered into a FlexSAFE technology escrow arrangement with Iron Mountain, which covers every customer for one year. Escrow fees are paid for by Fluegge Consulting Group as part of the sale. If a customer chooses to renew its maintenance agreement after the first year, the escrow agreement is also renewed.

Iron Mountain’s FlexSAFE Agreement is an uncomplicated, two-party agreement between the depositor (in this case Fluegge Consulting Group) and Iron Mountain that requires no customer signature or approval. It was developed to meet a technology developer’s particular needs in an easy and cost-effective way. In addition, it meets the requirements of a licensee mainly concerned about a technology developer’s bankruptcy. With FlexSAFE, Iron Mountain notifies the licensee that an escrow account has been established and sends semi-annual status reports to all parties.

The licensee can request a release of deposit materials if the technology developer files for bankruptcy. Otherwise, the developer, a court or trustee must give permission for a deposit release.

As a busy entrepreneur, Fluegge is particularly grateful that monthly deposits to the escrow account are quick and painless. “I use Easy CD Creator™ to copy all of the folders/

files to a CD. It takes 10 minutes to burn the CD; I throw on a label, put it in a jewel case, and create the FedEx shipping label. The whole process takes less than 20 minutes total.” E-mail notifications from FedEx® and Iron Mountain let him rest assured that the deposit was received.



Fluegge Consulting Group is holding its own against its well-established competitors. Currently, it is the top contender in all three of its most recent new business proposals. “I have found that my clients are very receptive to the fact that we already have an escrow agreement in place with Iron Mountain,” concludes Fluegge. “As a small company, we had to overcome client concerns related to our staying in business. A technology escrow agreement was the only viable solution, and the customer service I’ve received from Iron Mountain gives me confidence that I’ve chosen the right escrow agent.”

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GADS
Next Generation

IRON MOUNTAIN®

Iron Mountain is the leading global service provider of intellectual property management services specializing in technology escrow and domain name records management. As the founder of the industry, Iron Mountain has the integrity, reputation, resources, and experience to ensure intellectual property is properly managed and protected. Iron Mountain’s Intellectual Property Management services set the industry standard by providing quality customer service and unmatched solutions to three-fourths of the Fortune 500. Since 1951, Iron Mountain has provided service to over 200,000 customer accounts worldwide. For more information, visit the Company’s Web site at www.ironmountain.com/ipm