4 Billion New Customers!

Think about that! If you had access to 4 billion customers, how would that impact your marketing, your strategy, your vision, your opportunities, and your profit potential? Well it's coming, and I see it happening right before my eyes.

Let me back up for a moment and give you some perspective. As I write this, I am at my office in Pondicherry, India. I started Efficience with my partners April and Rich back in 2004 and came to India shortly after to set up the office. We started with one full time team member and one intern and then quickly added five more. We have now grown to 40 bright, enthusiastic, hardworking men and women.

When I started coming to India, none of the team members had cell phones. Cell service existed here, but the phones were expensive, and most didn't see the value in having one. This

continued for a few years. Now all our team members, from the lowest to the highest paid, have cell phones. At this point, eight of them have smartphones, and I see the rest upgrading in a year or so. I can see this new global customer base growing right before my eyes.



You may remember reading the <u>Software Monster</u> blog I wrote about how new software applications, Software as a Service (SaaS) tools, and apps are eating up the legacy business of a huge number of mainstream industries. This was based on an article that <u>Marc Andreessen</u>, founder of Netscape, wrote in the Wall Street Journal. Now, he has another article out that deals with the expansive opportunity that putting a handheld computer or communication tool connected to the entire world

is offering by bringing customers to your doorstep.

In a CNet article called <u>Marc Andreessen Predications for 2012</u>, Marc discusses how smartphones are now in the hands of about 2 billion people in the developed world, and in three to five years they will be in the hands of 6 billion. Can you imagine what to do with 4 BILLION New Customers? I have been advocating the power of connectivity since the early '90s, and this adds an exponential growth factor to that, which compounds the potential. If you read any futurist thinkers like <u>Ray Kurzweil</u>, it looks like we are much closer to that <u>Singularity moment</u>. You can check out his book <u>here</u>.

Marc ends the article with how opportunities and growth wrap around smartphones saying, "Local merchants, like local restaurant owners, are going to have a smartphone app they can use to dial up customers on demand. Whether that's from Groupon or Foursquare — any of these companies can do that. A lot of small business owners are going to start running their businesses from their smartphones."

Your marketplace is not your backyard anymore; it's not even your country. We recently launched a requirements gathering tool called <u>Sluice</u>, and it gets 60% of its sign-ups from outside the US. I can already envision all kinds of great opportunities with this mobile expansion, and we are moving our company in that direction for the potential it offers. What are you doing to go after the soon-to-be total of 6 billion new customers?

Are You in the Path of the Software Monster?



I am on my way home from India and excited about what is going on at our office in Pondicherry, where we have our software development office. Each time I go, it is exciting to see what has manifested from a small 10' x 15' room with 2 people back in 2004 to a facility expanding 4000 square feet and about 40 people today! This team is filled with smart, highly analytic minds with a desire to grow, progress, and improve their lives while making a positive impact on their families. I have watched as they have matured, gotten married, had children, and bettered their lives, increasing their standard of living. It is a great feeling to see this evolution and connection we have with the team!

Connectivity is an important word. My increasing exposure to the effects of connectivity has opened my mind to new levels of thinking. In 1999, I created a mutual fund called the iFund. It was the first shareholder-controlled fund, where connectivity drives intelligence making the group smarter than any individual. To make this happen, we utilized software to

bring shareholders together to manage the portfolio. From that moment, I knew software would be the driving force connecting a business to it's customers, financials, inventory, and new markets.

I recently read an exciting article by <u>Marc Andreessen</u> in the Wall Street Journal called <u>"Why Software is Eating the World."</u> Marc invented the Netscape Browser which changed the landscape of how we connect online. He explains that software is a huge growth opportunity! Companies like HP are transitioning from the PC hardware biz into software for better prospects. He believes the future of the world economies is brighter because of the potential expansion of the software industry.

Marc says, "My own theory is that we are in the middle of a dramatic and broad technological and economic shift in which software companies are poised to take over large swathes of the economy." He believes the growth we saw over the past decade from about 50 million people to 2 billion people connected will translate to 5 billion connected using smartphones in the next 10 years! Imagine the power of 5 billion people connected . . . real time, all the time!

This makes me wonder about the possibilities for new businesses, including low start-up costs for internet based operations, as well as the potential problems for existing businesses not moving in this direction. His examples include how software has changed music with Apple, books with Amazon, movies with Netflix, direct marketing with Google and Groupon, telecom with Skype, and recruiting with LinkedIn. Organizations in every industry need to be aware of this software revolution!

My partner April Cox and I created <u>Efficience</u> in 2004 to build <u>custom software applications</u> for others and to generate products that are niches to help businesses improve. <u>Sluice</u> and MeetingHabits are two products we have out there, and we

look forward to creating even more to meet our core purpose: Discover solutions that make life better for all.

What are you doing to not get eaten by the software world or to benefit from the software world?