



The Open Spectrum Alliance

MEMBER FAQ

Q: What type of data center and cloud consulting does Open Spectrum provide?

A: Open Spectrum assists companies in a variety of ways throughout the infrastructure procurement process:

- **Infrastructure Architecture and Deployment Strategy** - Based on your clients business model, economic drivers, long term goals, existing infrastructure deployed and in house talent available, what would the most effective and affordable mix of services and solutions be for them? What is their existing Total Cost of Ownership (TCO) and balance of risk profile?
- **Sourcing and Negotiating Net New Services** - We align solutions with your clients needs leveraging our detailed market intelligence, vast experience in the industry and relationships with vetted service providers that spans the globe.
- **Re-Negotiating Existing Contracts** - Regardless if you are already in contract and mid-contract with a data center, hosting or carrier solutions provider, we guarantee we can help you negotiate for better pricing and deal terms.

We have a number of case studies that speak to these engagement types listed on our website at <http://openspectruminc.com/case-studies/>. There are other non-public facing case studies we are happy to share as well, once we know exactly how we may be of service to your client.

Q: How can Open Spectrum claim to know the entire IT infrastructure and data center marketplace so well?

A: The ecosystem of buyers, sellers and investors within the data center marketplace that we work directly with on a daily basis is one of our primary strategic advantages. Open Spectrum principals and solution architects have over 50 years experience in the industry specifically working on the “other side of the fence,” both selling services and operating facilities within Colocation, Cloud and Managed Services companies. We have negotiated and closed hundreds of transactions around the world with over one hundred different service providers. We have also physically toured over 400 production grade colocation facilities across the country and around the world. There are few individuals and teams on the planet, outside of those currently working at Amazon, Microsoft, Yahoo, Google, etc., who come close to having the experience of our team.

Q: So you have done a lot of deals... my client has been doing IT Ops and managing data centers for years too; how can you really help HIM/HER?

A: Experience operating a data center and/or negotiating a handful of deals with a small hand full of service providers does not necessarily make a savvy, experienced and TRAINED buyer. We are positive our deep and vast experience adds a level of intelligence and acumen that is unsurpassed by even some of the most experienced in the industry. Open Spectrum principals and agents understand the industry intimately because we have worked hundreds of deals on BOTH the buy side and sell side, having learned the games and tactics both providers and buyers play. Open Spectrum also literally wrote the book (*Industry Playbook: Data Center Colocation*) on the buying/selling of data center services and is now retained by the top service providers in the industry to coach and train their own salespeople, engineers and executive staff. Just as even a great General Counsel cannot be an expert on the totality and nuances of all types of law, no Director of IT, CTO or CIO can be an expert on everything IT. We are here to augment and coach to this extent, never replace.

Q: Who are your competitors and why should I choose Open Spectrum over them?

A: 451 Research and Data Center Dynamics have analysts that consult with enterprises looking to build new data centers, and in some cases, procure new colocation services. The likes of CBRE, Colliers, JLL and Cushman Wakefield also have critical infrastructure practices with small teams doing similar work. Some of them are great at what they do, but all of them primarily focus on the physical real estate aspect of a transaction with little to no hands on experience working with the systems, data and infrastructure that connects to, and exists within, the real estate.

As to why Open Spectrum specifically, it is important to understand what we are not. We are NOT commercial real estate brokers with limited IT experience trying to now also do data center work. We are NOT facilities engineers trying to now also negotiate data center colocation and hosting contracts. We are NOT purely analyst with limited practical experience actually working IN the industry trying to now serve as consultants in the industry.

WE ARE DATA CENTER, CLOUD, and HOSTING CONSULTANTS AND EXECUTIVES... PERIOD.

None of the competition we outlined above has the experience we have actually working for and with service providers in the industry and intimately consulting clients through their IT needs assessments, building solution architecture, and managing data center colocation and hosting transactions.

The education and training we provide throughout the industry via our live and online bootcamps is also unique and testament to our thought leadership in the industry. You are working with the best of the best and we have a legion of partners and clients who are willing to go toe to toe to challenge any competitor one who may think otherwise.

Q: How much will Open Spectrum consulting cost my client?

A: Our fees and fee structures are extremely flexible. Although we prefer to get paid as contractors directly from clients, in some cases, if a client is looking at expanding, migrating, or consolidating their infrastructure with new vendors, the Open Spectrum consulting service can cost your client \$0. We may also have a hybrid approach where we ask for a retainer up front from the client but credit it back should there be a back-end payment involved. If a client wishes to keep their existing service provider(s), but want assistance negotiating better terms and pricing, Open Spectrum can also charge the client a percentage of the total savings we are able to negotiate on their behalf. Regardless of how we get paid, we will ALWAYS be transparent with you and your client.

Q: Wait, if the vendors pay Open Spectrum, doesn't that kill their margin and make my client's bottom line price higher?

A: No. IT infrastructure providers depend on the channel for a significant portion of their business. As such, they have built the agent payouts into their SG&A business model no different than the way they have built operating costs (such as salaries, insurance, administrative overhead and commissions for direct salespeople and their managers) into their SG&A. Providers are thus, in most cases, happy to pay what amounts to referral fees for the business that we bring them, as their total fixed overhead for the sale amounts to \$0. Once we are engaged on an opportunity with you and your client, we are more than happy to share what these percentages amount to. You can always expect full transparency in all our dealings and communications and we can guarantee your client will always save time and money through our engagement vs trying to go it alone.

Q: If the service provider pays Open Spectrum on our client's engagement, how does my client know you are not simply going to recommend the option that nets you the most money on the back end?

A: First and foremost we serve as fiduciaries for your clients. To this extent, should there be a real concern about Open Spectrum being paid anything resembling a referral fee we are more than happy to negotiate fees that are paid directly by the client for the services we provide. Most telecommunications, data center and real estate brokerage firms and agencies serve as sales fronts for a select few service providers or facilities available in the market however. As such, there is no question that they are motivated by quotas, higher commission rates and spiffs. Open Spectrum is different for a variety of reasons:

- **We have a fiduciary responsibility and policy of complete transparency.** If we are going to engage with the client in such a way that our compensation comes from the service provider, the client will know exactly what that compensation amounts to across all options on the table.
- **We are engineering minded solution architects, NOT sales reps.** We happen to have the technical and emotional intelligence to communicate well with CXO's and engineers alike.
- **We do not retain spiffs given by service providers.** Any and all spiffs above and beyond the standard contracted referral fee a service provider may pay Open Spectrum after a deal is done will be credited to the client.

Our objective is to maintain an ongoing relationship. We win when we become you and your client's trusted advisor for the rest of your careers for any and all future infrastructure purchases or contract and system restructuring. Should we fail clients or deceive them in the short term, we destroy any prospect of achieving this goal. With this in mind, if you are already their "go to" for specific services, we would never bite the hand that feeds and try to position one of your competitors with the client

Q: Can you just send me a bunch of quotes from all the providers in a market that I can pass on to my client?

A: Our time, research, reputation and the services we provide are extremely valuable and yours is too. If your client is willing to sign a Letter of Authorization (LOA) that either you or Open Spectrum is their exclusive partners consulting them through the procurement process AND either you or the client can prove that the power, space, cross connects and related services requested are based on sound engineering facts, yes, we are happy to help and provide quotes.

We will request a select few quotes from options that would be an ideal fit based on the client's stated and documented needs. The nature of the relationships we have earned with the ecosystem of vetted service providers we represent around the world prevents us however from simply spamming providers asking for quotes on unsubstantiated opportunities. If all you or a client is looking for is quotes without any diligence or intelligence behind them, there are numerous online resources they can find that will serve this purpose and we encourage you and them to leverage those resources.

Q: Who are some of Open Spectrum's clients?

A: Open Spectrum has worked, and is currently working, with hyper scaling startups, Fortune 500, SMBs and everyone in between. Our current clients span almost all industries including, but not limited to, SaaS, MSP, IaaS, CDN, software, financial services, insurance, and education.

Listed below is a snapshot of those we have assisted, and/or are assisting currently:

- **All Covered** - Global outsourced IT service provider, owned by Konica Minolta
- **Backblaze** - Top 3 largest consumer online backup provider in the USA
- **Cadence Design Systems** - EDA software and custom IC design firm (NASDAQ: CDNS)
- **Code42** - Top 3 largest enterprise online backup provider in the USA
- **DTHBS** - Hosted PBX service division of T-Mobile/Deutsche Telekom
- **Informatica** - Number one provider of data integration software (NASDAQ: INFA)
- **Marin Software** - Online marketing optimization firm (NYSE:MRIN)
- **OneKingsLane.com** - E-commerce company booking over \$1M revenue/day
- **ServiceNow** - Fastest growing outsourced IT provider for SMBs around the world
- **Skybox Imaging** - \$100M Funded satellite imaging company, acquired by Google
- **Wikimedia Foundation** - Parent of Wikipedia.org
- **Zoosk.com** - 1 of the top 5 online dating websites

We are also happy to provide references upon request.

