

Product Management in Turbulent Times

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Corporate Overview

- Founded:** 1996; IPO July 2003
- Business:** Policy-based enterprise connectivity and security services to keep the remote and mobile worker protected
- Virtual Network:** Global coverage in 167 countries
Largest enterprise grade global Wi-Fi footprint
- Financials:**
- 2004 \$166 M revenue
 - Q2 2005:
 - \$43.1 M total revenue
 - \$2.1 M broadband revenue
 - \$5.7 M service fee revenue
 - \$169 M cash - debt free
- Metrics:**
- 2300 enterprise customers – nearly 100% renewal rate
 - 270 Forbes Global 2000 customers
 - Over 500,000 distinct end users



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iPass Elevator Pitch

- “We provide enterprises with the tools they need to connect their employees to the corporate network, safely and securely, from anywhere in the world.”
- IT Values
 - Secure connectivity
 - Lower help desk costs
 - Endpoint and network protection
- End User Values
 - Easy-to-use interface consistent across all access types
 - Streamlines logon process (laptop, VPN, network)



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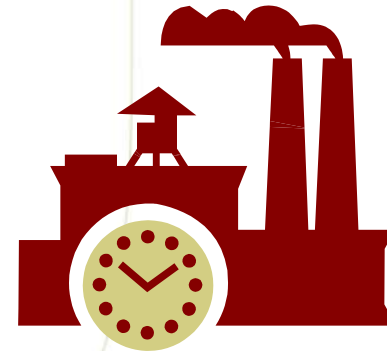
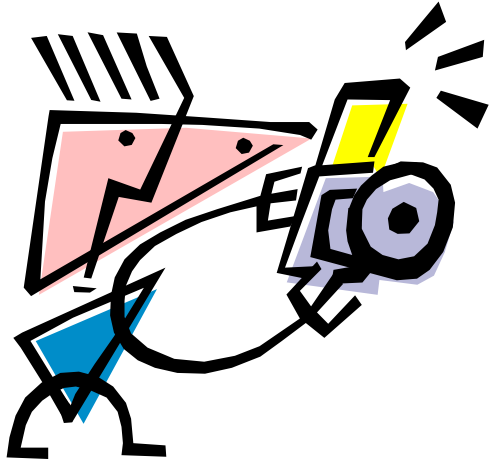
Unifying Networks

Unparalleled Global Coverage

- 17,000 dial access points in over 160 countries
- Over 23,000 Wi-Fi & broadband venues in 67 countries
- Includes most major airports and thousands of hotels
- Wi-Fi provider partners include:
 - T-Mobile® Hotspot, SBC FreedomLink, Wayport, STSN (US)
 - BT Openzone and Swisscom Eurospot (EU),
 - Yahoo!BB and NTT (JP), and China Telecom (CN)



The Normal Product Planning Model



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What's Wrong With This Picture?



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Supply-Side Changes

- STSN changes its name to iBAHN
 - Changes SSID to iBAHN in some cases
 - Retains STSN SSID in some cases
 - How to “sniff” iBAHN SSID and associate with STSN SSID stored in client directory?
- T-Mobile North America part of iPass network; T-Mobile Europe is not
 - But both networks share SSID “T-Mobile”
 - How to guide user to an iPass-supported T-Mobile hotspot?



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Supply-Side Changes

- Tokyo Venue Owners Sell Space to Wi-Fi Providers
 - Multiple providers at one location, with multiple SSID's
 - SSID's not broadcast
 - How to help user find an iPass-supported network?
- Japan “tier 2” Wi-Fi providers must employ WEP keys
 - How to inform user if client doesn't store the key?
- Evolution of Wi-Fi business models
 - Usage-based; pay-as-you-go
 - Managed service
 - Free
 - Flat rate per venue
 - Variable usage rate based on performance
 - Revenue share with advertiser (CbB)



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Supply-Side Headaches

- Varying competitive situations among suppliers
 - Dealing with local monopolies
- Varying levels of network engineering experience among suppliers
 - Insufficient network backhaul
 - Burger King UK story
- Varying attention to details of venue information
 - Munchen vs. Munich
 - Which McDonald's?



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User Headaches

- Wi-Fi device manager contention
 - Device managers don't share well
 - How to invoke/release device manager for campus vs. public Wi-Fi?
- Online hotspot finder
 - How do I know where to go to get online, so I can figure out where to go to get online?
- Venue Sorting
 - How to adapt system built around phone numbers
 - Munchen next to Muncie next to Munich
- Searching
 - What city is Dulles airport in?
 - What prefecture am I in here in Tokyo?



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Demand-Side Changes

- Evolving pricing needs
 - Usage
 - Usage with a daily cap
 - Daily flat rate
 - All-you-can-eat
- Development of brand
 - T-Mobile, Starbucks, Borders ≡ “I can get connected”



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Demand-Side Changes

- Acceptance of “casual” Wi-Fi venues
 - Restaurants, coffee shops
- Acceptance of “free” Wi-Fi venues
 - Panera Bread
- Change in connection behavior
 - Get on/get off
 - “Just Connect Me”
 - Manage my connection across access media



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Some Ways We've Responded

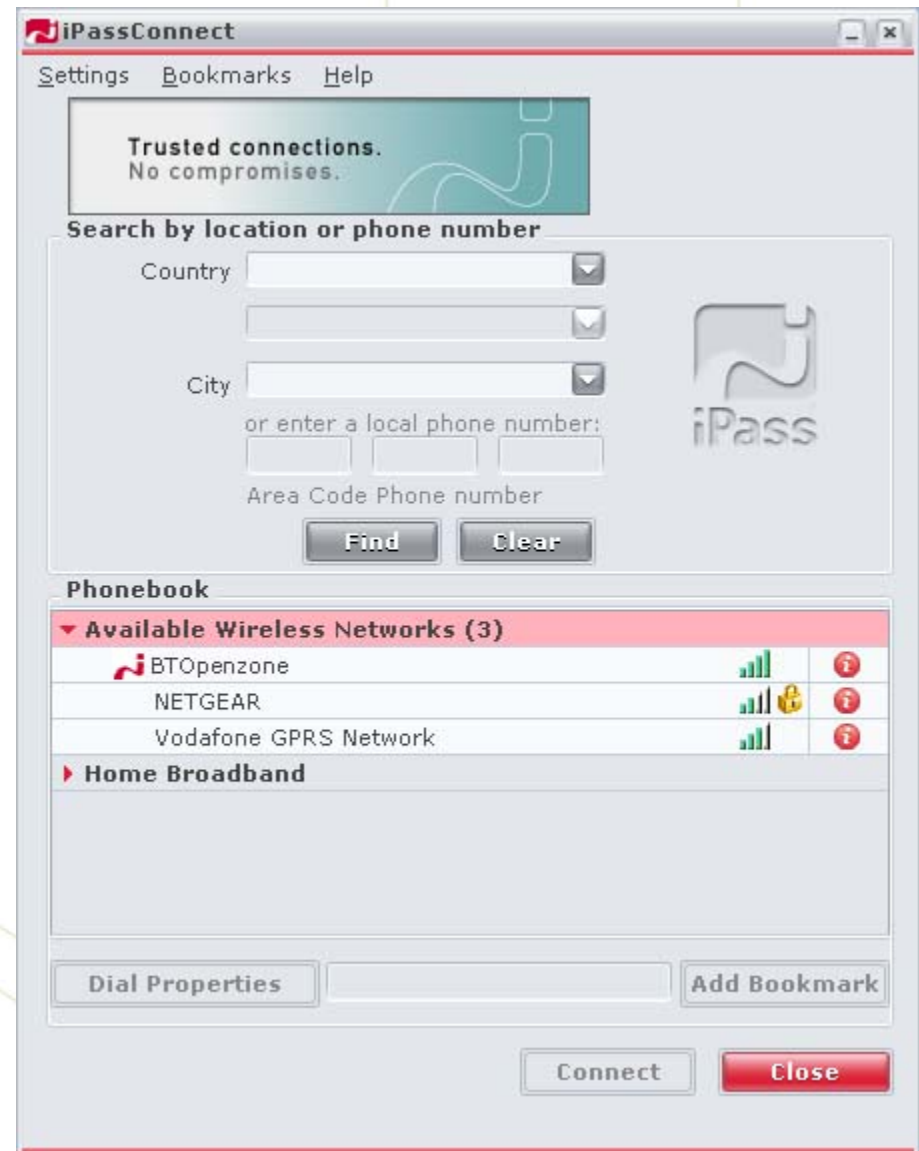
- Offline finder
- 2.x client WEP key message
- Venue sort order
- Enable access to non-iPass networks
- Change in pricing models
- Change in revenue model



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Updated GUI



Balloon Tips

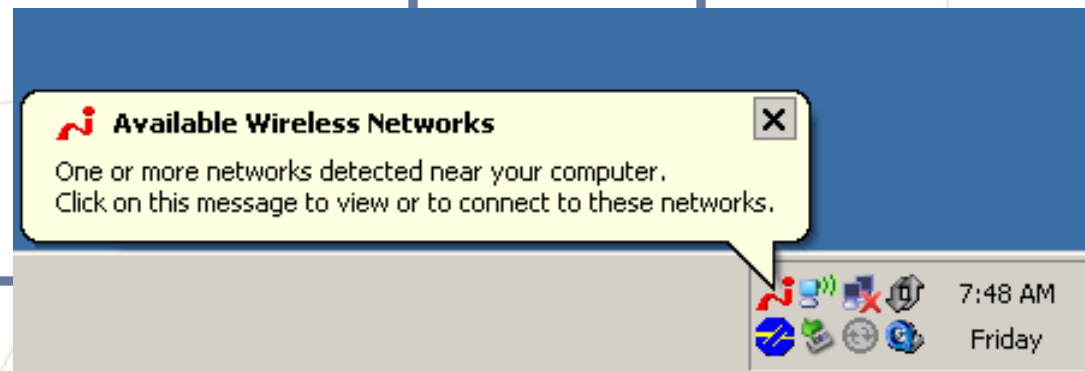
Feature

- iPassConnect™ displays a balloon tip from the system tray when a Wi-Fi network is available.



Benefit

- Easier for users to determine Wi-Fi network availability.



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How to Cope with Turbulence

- Think like a customer
 - Why would I buy this?
 - What problem does it solve?
 - Does this apply to me?
 - Will I be a hero?
- Think like a sales person
 - Who kind of person would buy this?
 - How will I know when I see one of them?
 - How is this different? Better?



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How to Cope with Turbulence

- Think like an economist
 - What factors would drive demand? Inhibit demand?
 - What factors would drive supply? Inhibit supply?
 - Who's motivated to do what?
- Think like a debater
 - Try on the opposite point of view
 - How does this change everything?
 - How does this change nothing?



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How to Cope with Turbulence

- Find a guide
 - Has some other company (probably in some other industry) faced this issue before?
- Talk to your customers
 - Don't ask them what they want
 - Ask them why
 - What would they want if they knew what they wanted?
- Talk to your suppliers
 - What are they experiencing?



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Finding Your Recipe

- Does it make business sense?
- What's my motivation?
- Has this ever happened before?
- Why will everything stay the same?
- Why will everything change?

*You must remember this
A kiss is just a kiss, a sigh is just a sigh.
The fundamental things apply
As time goes by*



"As Time Goes By"

music and words by Herman Hupfeld
© 1931 Warner Bros. Music Corporation, ASCAP



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