

Small Business Case Study

Product Used: Intel® Xeon® processor technology, Intel® Centrino® Duo mobile technology
Company Size: 1-25

AGORACOM Results Depend On Intel Investment



Case Summary

Publicly traded companies with small market capitalization (typically under 100 million dollars) struggle to get their story out to investors. With major media covering large firms, these small cap businesses needed a new way to reach investors that moved beyond costly one-to-one communication. AGORACOM, a Toronto-based investor relations (IR) firm, knew there had to be a better way and looked to the Internet and computer technology powered by Intel to change the way IR is delivered.

Challenge

When a company goes public, they use the money raised through the sale of shares to operate the business, increase capital and enter new markets. Stock market regulators have strict rules to which the companies need to adhere when talking with current and prospective investors. For many small cap companies, reaching prospective investors was time consuming and expensive as traditional IR practices were built on one-to-one communications, which means IR professionals answered the same questions and delivered the same message, to the same limited audience over and over again.

Enter AGORACOM. In 2000, company founder and president George Tsiolis saw a need for more efficient communications with investors interested in small cap companies. In a study in early 2000, the National Investor Relations Institute[®] found 91 per cent of small cap investors relied on the internet for due diligence and research on companies. Tsiolis knew he could leverage the Internet's inherent one to many communications to support small, publicly traded companies in their quest to reach new investors.

"In traditional IR firms, representatives tend to answer the same question from many different investors in the same day," says Paul Kondakos, Vice President of AGORACOM. "There was a lot of time lost on redundancy."



“Without technology like Intel’s we have nothing. We try to leverage all new technology to build great tools and applications that we think investors want and we never stop thinking about new ideas. We need a solid base to support what we want to do. With Intel, we can focus on building our business - not on technology.”

- Paul Kendakow
Vice President of AGORACOM

The challenge was building a robust system that seamlessly communicates with shareholders in a more dynamic way. “We needed to change the Investor Relations paradigm for small cap companies,” says Kondakos.

And, they needed to ensure the solution put in place for investors was robust, expandable and reliable. Regulators would require it.

Solution

AGORACOM created the Internet-based IR Hub for its clients that would capture all relevant corporate information including press releases, stock price, financial and management data, as well as a discussion forum for investors to ask questions. This hub allowed investors not only to research companies but to participate in a dialogue with them, which effectively moved businesses into a new way of communicating with shareholders and prospective investors – an online community model.

“The Internet gives investors and organizations incredible capabilities that were unfathomable before. With our system, we can talk to many people simultaneously with one communication message,” says Kondakos. “AGORACOM is built on the Internet and technology has allowed us to create a new paradigm for investor relations.”

While building the tools for the IR Hub, AGORACOM needed to make sure the technology could support the traffic they’d be driving to the site and the demands investors would be placing on it for responsive and timely information. This meant ensuring that both their internal networks and web server were fast and reliable.

To provide capability for internal file sharing, email management, network access and secure VPN

connectivity while traveling, AGORACOM chose a server with Intel® Xeon® processor technology. A second server with Intel® Xeon® processor technology is dedicated to hosting their AGORACOM IR Hub, and the entire network was secured with both hardware and software firewalls to protect corporate data.

“Without technology, the new investor relations paradigm wouldn’t be possible. If our technology fails, our entire business model dies. It’s critical to our business.”

Key Advantages

The IR Hub is just the beginning for AGORACOM. In addition to the power of the tool for delivering messages to investors, adding technology to IR has allowed them to build their business and grow rapidly.

“We have a solid foundation on which to build and start taking advantage of social networking,” says Kondakos. “We are creating a ‘myspace’ for the financial community. This platform allows us to continue to evolve.”

By leveraging Internet technologies, supported by a solid server network powered by Intel® Xeon® processors, AGORACOM can handle “more clients, more cheaply than other investor relations companies.” At AGORACOM, they can support eight to 10 clients per IR person, where other firms can only support one or two clients per staff member.

“We can scale much more quickly than traditional IR firms who have not embraced and leveraged technology and the Internet the way AGORACOM has. In addition, we have the ability to get a message to hundreds or thousands of people instantly,” says Kondakos.



Technology Is The Cornerstone of Business

As a business created to leverage the Internet, Kondakos admits top shelf technology is critical to their success and growth.

"Without technology like Intel's we have nothing," he says. "We try to leverage all new technology to build great tools and applications that we think investors want and we never stop thinking about new ideas. We need a solid base to support what we want to do. With Intel, we can focus on building our business - not on technology."

In IR, representatives are working with a range of different file types. From using Microsoft Word to create press releases, to audio and video editing software to compile messages from corporate executives, Kondakos relies on the speed of Intel processors including the Intel® Centrino® Duo and Intel® Core Duo processors to get work done without lag time or latency.

"We can be running six or seven programs at the same time so processing power and speed are very important," he says. "Intel is the most reliable and is the pioneer in this segment. We asked the experts and everyone recommended Intel."

Keeping Pace with Regulators

Publicly traded companies have strict rules they must follow when it comes to disclosing information to shareholders and the investment community at large. They also require that certain information be made available to investors doing due diligence.

Kondakos says that regulators love AGORACOM's business model because it levels the playing field for investors by releasing information at the right time, in the right order, simultaneously.

"It's completely transparent so regulators love our model," explains Kondakos. "We send a very consistent message out to everyone so there is equal access to information."

AGORACOM's IR Hub, hosted on servers with Intel® Xeon® processor technology, makes following regulatory requirements fast and easy because the order of operations and protocols are set through the system.

Protocall Records Positive Results with IR HUB

The new IR paradigm is working well for clients. Protocall Technologies' is a New York based research and development company that specializes in "on demand" burning of software titles and DVD movies for large and small retailers. The company created a system that allows consumers to select, burn and instantly receive a full software or movie package from a database of available titles. The system dramatically reduces the amount of stock a store needs to carry.

After a few experiences with other IR firms, Protocall was looking for a company that could deliver an effective IR program. AGORACOM's name kept coming up in discussions with other small cap firms. "Their approach was really different," says Bruce Newman, Protocall founder and CEO. "Web-centric tools and leveraging electronic distribution methods to get our information in the hands of investors was key."

With all their corporate data hosted on AGORACOM's servers, powered by Intel® Xeon® processor technology, Protocall knows their message is reaching shareholders quickly and accurately.

"AGORACOM's IR Hub gets our message out there. We've been very impressed," he says. Newman knows most investors use the Web to research companies and having all their information easily accessible on a centralized hub, hosted on servers with Intel® Xeon® processor technology, gets the messages out fast and reliably. Since July, Protocall's stock has gone from an average daily trading volume of 4,600 shares to upwards of 100,000 while the price of its stock was up about 20% during the first six months with AGORACOM.

Growth Unfettered

AGORACOM's IR paradigm is a hit with clients which presents additional challenges for the business itself ... and that is growth. Kondakos estimates revenues have grown by more than 300 percent since 2004. This growth means they are constantly looking to add more staff, while ensuring their network infrastructure can scale up quickly.

"We have increasing data requirements and storage needs," says Kondakos, who notes backing up data using a digital drive and ensuring those backups are taken off site is critical.

The corporate history is also important when training new staff. Kondakos says they use specific datasets stored on their servers with Intel® Xeon® processor technology to help ramp up new staff quickly. Without access to those files over the network, they'd lose dozens of man hours on training alone.

"Everything that we do is mission critical to us and our clients," he says. "If we lose our database server, we've lost our business; if we lose backups, it could present a problem if we are ever called on to show files to regulators."

In Touch For Market Moves

When it comes to supporting publicly traded companies, time is of the essence and that means being available and responsive to clients. Kondakos spends a lot of his time with clients and is often out of the office making presentations, developing new materials and showcasing their technology to prospects.

"I have to be able to respond to fires quickly. You can take away my phone but I need e-mail," admits Kondakos. When an issue arises with a client, it can sometimes mean a statement needs to be issued and filed within hours. With the ease of wireless access through a laptop with Intel® Centrino® Duo mobile technology, Kondakos can quickly review material and get it distributed within the regulatory timeframes from any wireless hot spot.

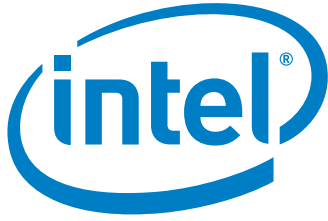
"Time is of the essence in our business. It's very important that things get done when they are supposed to and if they aren't there can be real issues that can become regulatory issues for our clients," he says, noting with his laptop he also has more than enough power to run the video and audio editing software they use to post messages from company presidents on the IR Hub.

Future Uses

Tapping into more mobile solutions is an important future growth area for AGORACOM. The company has started to work on solutions for mobile devices like cell phones and PDA devices. "With the new .mobi domain we can start to disseminate financial information to people using another medium," says Kondakos, noting that they need to adapt a new site to leverage this technology.

"It is another point of communication with potential investors," he says. "People on the go can log into our small cap centre and read about our companies while sitting on the commuter train."

Placing further traffic on their servers with Intel® Xeon® processor technology is a service called Top 10 press releases which ranks releases so the community can weed through the material and other releases posted during the day. "It's another way that AGORACOM is differentiating itself in small cap space. We are helping the small cap investment community determine for themselves which press releases stand out in the crowd."



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