

Movers & Shakers Interview with  
Cyrille Morelle, CEO  
VeEX



*"We Accelerate Growth"*



**Cyrille Morelle**  
CEO

**Srihari Padmanabhan (SP): Can you share with our readers the genesis of VeEX and the vision for its formation?**

**Cyrille Morelle (CM):** The people who started VeEX, including myself, are highly experienced in the area of test and measurement. I was at Sunrise Telecom for nine years, and when I left the company, I held the position VP of product marketing. I decided to form my own test and measurement company with some key Sunrise Telecom employees, because it was time for a new approach. The goal that we had in mind was that we wanted to develop new devices for customers in test and measurement that would allow them to do more than just test and measurement. If you take a look at some of the test equipment available in the market today, they all provide the same kind of measurements. So we wanted to go the extra mile and make our products more compelling to help make the technicians more efficient. We have achieved that by focusing on the services; for example, DSL can carry high-speed data which will have IPTV or VoIP. We are focusing on these kinds of services but still doing a good job at DSL. The basic idea is to have an instrument that can do everything that a technician has to do on a daily basis.

The other thing we realize is that as the business landscape changes and evolves, many trained technicians are either retiring or being forced to move into new ventures or applications. So, you end up with a workforce that is not as efficient as before, and to complicate matters, you ask them to perform more complex installations with minimal background training. IPTV looks good when you view it in the comfort of your home, but there are many things involved in the background to make it work. The VeEX mission is to streamline the process by adding a lot of automated features or routines to perform all these measurements to provide a complete report of how the network performs.

VeEX is basically active in four different technology sectors or markets – DSL, Cable TV, Ethernet and SONET/SDH. Since each of these markets is customer-driven, we need to stay very close and listen to our customers in order to succeed in these areas. Regarding new technologies, we are not always the first test solution providers; instead we wait for the new technology to stabilize and mature to a point where we can get behind it when it is deployed. During this stage, we work with and pay close attention to customer challenges so we can provide effective solutions for all stages of deployment.

**SP: What exactly is the strategy that you use to develop new products and technology?**

**CM:** One thing that we have been doing pro-actively and successfully is to collect and aggregate all details on news and innovations happening in the industry. We do have many large blue chip customers such as Verizon, AT&T, Deutsche Telecom, Vodafone, and Telecom Malaysia who are early adopters of technology. Our goal is to keep in touch with them to understand if they have any problems with the technology or with the product, and then try to analyze that and see what we can do next to address those issues.

**SP: In your opinion, what are some of the key technology trends in the industry? How do you think they will shape tomorrow's XDSL testing market?**

**CM:** We are not very active in the lab or manufacturing testing area, and we do not compete directly against companies like Agilent, Spirent and Ixia, who are the incumbents in this application space. The lab test application is very different from that of field testing. For lab test equipment, you are going to have a very high price tag for the equipment, because you will need to do a lot of pioneering research and

design. To do that properly, you need to be a certain size company with a long established reputation, and quite honestly, we are not that big nor have we been around that long. Furthermore, we are not actively pursuing or engaging the wireless market (air interface) and test equipment for enterprise segments because this falls out of our area of expertise.

We mainly focus and concentrate on field testing devices and CATV remote monitoring equipment.

**SP: What are some of the key changes that VeEX has witnessed over the past 12 months? How has the company changed to reflect this evolving marketplace?**

**CM:** If you take a look at the DSL test equipment market in the U.S., it is probably not the strongest market. However, we have been doing very well in the CATV testing market, Cable TV and Ethernet testing markets. As far as DSL is concerned, we always consider it as a necessary segment because we all come from a company rooted with DSL testing, and we take pride in providing DSL testing as well.

We did very well in Russia, Greece and Norway in DSL testing, and we also did well in some emerging countries. But it is a very mature market with eroded price points. The customer now insists on spending less than \$1,000 per tool and still would like to have IPTV, VoIP and data testing capabilities embedded into such an instrument. Europe and Asia Pacific region have remained strong in terms of demand for DSL test equipment, but in the case of China and Brazil, there are a lot of local manufacturers, and it is difficult to get to their local price points.

**SP: What do you, as CEO of the company, want to accomplish in the next couple of years? How would you define success for yourself and for VeEX?**

**CM:** First, I want the company to continue to grow. We are growing at 100 percent every year across all the markets. We believe that we are taking market share from other players in the market because we have a better product at a better price. Over the next two to three years, I expect the company to show growth in a similar fashion by adding new products and technologies to our portfolio.

**SP: Overall, how would you rate your company's performance in 2009, and what influenced this performance? What do you expect for 2010?**

**CM:** During 2009, we grew about 70 percent from the previous year. We spent much of that time in 2009 developing new products, getting them approved, and finishing and fine-tuning the features. During 2010, we have started to reap the fruit of those efforts. So far, we are on target to grow 100 percent again during 2010, mainly due to the time and money we invested during the previous year.

**SP: Are you trying to venture into any new technology or market in the near future?**

**CM:** Our goal for 2010 and 2011 is to grow in the existing markets by adding more functionality to our product to make it even more attractive to customers looking for added value. By 2012, we plan to explore and penetrate different areas, but that will depend on our ongoing global research and how we align that feedback with our resources. But you can definitely expect many exciting developments from VeEX in the next few months.

**SP: What have you identified as some of the prime factors for success in this competitive market space?**

**CM:** First of all, you need a strong, dedicated and cohesive team behind you that fully understands the objectives, challenges and priorities to achieve targets that can change or move at any time. Beyond this, there is no single or specific factor that really influences success. The market is so dynamic and has evolved so much that you can't be strong at one factor and be just OK in other areas from one day to the next. You need to remain on the cutting edge and be innovative in the market and bring a constant "wow" factor in all your products. We try to ensure that all our products have something unique in terms of design, price or functionality. Finally, we attach much importance to customer service. No matter what you do, good customer service is paramount for customer retention, and we invest a lot of money in keeping our customers happy. We have consistently achieved a high rating versus our competitors in terms of customer service, and our intention is to keep it that way.

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