

Control Station



Control Station gains credibility with large distributors by engaging Iron Mountain for Technology Escrow Services

CUSTOMER:

Control Station is a pioneer in the field of process control. The company has developed award-winning diagnostic software that simplifies the optimization of manufacturing processes.

CHALLENGE:

To achieve its growth objectives, Control Station partnered with several large distributors. Since some of these distributors private-label the Control Station software and sell it as part of a complete process automation solution, the company needed to assure the distributors of its long-term viability.

SOLUTION:

Control Station implemented a technology escrow agreement with Iron Mountain in order to assure their distributors that access to their product would be maintained, even if something happened to the company.

BENEFIT:

Although the relationship with their distributors was excellent, they required a commitment level from Control Station. With technology escrow, those assurances were in place and Control Station could pursue its growth strategy.

THE CUSTOMER

Control Station was founded in 1998 by Dr. Douglas Cooper, a former researcher in the oil and gas industry who left the business world to become a faculty member at the University of Connecticut’s School of Chemical Engineering. Dr. Cooper had witnessed firsthand the challenges faced by process operators, technicians, and engineers trying to optimize the performance of systems that controlled large refineries, but with few tools to assist them.

The software tool that later spawned Control Station as a company was initially developed to demonstrate the complexities of process control in the classroom, and to bring textbook discussions to life. Textbook equations and two-dimensional pictures were put into a software program so that changes to the calculations could be clearly illustrated. As a result, students could more readily comprehend the concepts behind the production processes.

In forming Control Station, Dr. Cooper focused on the needs of their target customers by developing control technologies that were both very robust and easy to use. His mission for the company states, “Conceived and founded on the principles of industry best practices, Control Station was formed with a singular objective – to help companies realize the benefits of innovation in process control.”

Yet, Control Station was something of a hobby business for Dr. Cooper until 2004, when a mutual friend connected Cooper with Dennis Nash, a recent MBA graduate from the University of Connecticut. Nash developed a business plan that would deliver profitability and take the company to the next level.

THE CHALLENGE

To meet the challenges of growth and profitability, Nash determined that the company’s distribution model had to change. Control Station could not reach its growth objectives with its small direct sales team and the long sales cycles required. So, it changed to a model that leverages the broader market reach of distributors.

“We are now partnered with leaders in our market space, and it’s the escrow services provided by Iron Mountain that have facilitated those larger relationships for distribution.”

—Dennis Nash, CEO, Control Station Inc.

Since the fall of 2004, the company has achieved rapid growth in sales. The technology has evolved from a training tool to a best-in-class plant floor diagnostic and optimization tool. And, by working through large distributors, Control Station now has the reach and power of account teams that have well-established senior-level corporate relationships.

“Our end users are less interested in the company’s financial viability than they are in the efficacy of the tool. We issue perpetual software licenses to end users, so they’ll always have the asset in which they’ve invested,” states Nash. “The interesting thing is how escrow relates to our distributors.”

CASE STUDY

IRON MOUNTAIN | CONTROL STATION

An escrow requirement came up as a request from the first distributor that Nash engaged. As the fastest growing enterprise software distributor in process automation, this particular distributor was delivering multimillion dollar solutions that automated almost every aspect of the production process for a variety of industry sectors.

“Our distributor was committing resources in order for our product to seamlessly integrate with theirs,” explains Nash. “They maintained a commitment level with their enterprise customers and, as a result, they needed assurance that the Control Station software would remain viable outside of the company.”

THE SOLUTION

Technology escrow was the solution that enabled Control Station to minimize their distributors’ risk. As a small, relatively unknown software vendor, Control Station knew distributors were taking a risk by working with them. To alleviate that risk, Control Station turned to Iron Mountain to put escrow agreements in place that provided the necessary assurances to its distributors and resellers.

As a trusted, neutral, third party, Iron Mountain safeguards Control Station’s software source code in secure, access-protected escrow accounts. Acting in this intermediary role, Iron Mountain helps document and maintain intellectual property integrity. If pre-determined release conditions are met – such as a software vendor’s bankruptcy or lack of support – Iron Mountain will release the deposit materials to the beneficiaries, in this case the distributors.

Nash feels that his experience with the first major distributor was revealing because it exposed him to key rules of engagement. He found that what works for one distributor often works for another. He recalls, “Going into discussions with other major distributors, I demonstrated a clear understanding of their needs which further established their confidence in collaborating with Control Station.”

Today, Control Station software solutions provide tangible value to technicians and engineers through improved control over their business-critical production processes. With a growing portfolio of solutions, Control Station is committed to helping companies across the process industries to secure and maintain a competitive advantage.

Nash concludes, “Our technology is profitability technology. It minimizes waste, increases throughput, reduces energy consumption, among other valuable benefits. Each of these affects the bottom-line profitability of a manufacturer and can be achieved through the use of our tool. Fortunately, we were able to use Iron Mountain’s escrow services to build a distributor channel and create a catalyst for accelerating growth.”

© 2009 Iron Mountain Incorporated. All rights reserved. Iron Mountain and the design of the mountain are registered trademarks and Iron Mountain Digital is a trademark of Iron Mountain Incorporated. All other trademarks are the property of their respective owners.

 **IRON MOUNTAIN** DIGITAL™
120 Turnpike Road
Southborough, Massachusetts 01772
(800) 962-0652

Iron Mountain Digital is the world’s leading provider of Storage-as-a-Service solutions for data protection and recovery, archiving, eDiscovery and intellectual property management. The technology arm of Iron Mountain Incorporated offers a comprehensive suite of solutions to thousands of companies around the world, directly and through a worldwide network of channel partners. Iron Mountain Digital is based in Southborough, MA.

(800) 962-0652 | www.ironmountain.com/ipm