Q+A

Lauren Flanagan
Executive chairman
at Current Motor Company

Entrepreneurial spirit

A former software company CEO, Lauren Flanagan is a seasoned technology investor who serves as executive chairman of Current Motor Company. The early-stage company develops and manufactures ecofriendly, all-electric motorcycles, which can be personalized or custom branded and come with an innovative dashboard, smartphone apps, and an onboard computer. When Flanagan first came upon Current Motor, it was "seven guys in a garage."

Q: *Can you tell us about the road map for Current Motor?*

A: Current Motor is based in Ann Arbor, Michigan. The category we serve is known as maxi-scooters,

but we call our product a Super Scooter. Its step-through form and low center of gravity make it easy to control and accessible to riders of all sizes. It also has plenty of power for experienced riders. Our high-performance model can go 65+ miles per hour and has a range of up to 50 miles per charge. Our standard model can go 55+ miles per hour and has a range of up to 40 miles per charge.

We're focused on selling to the Americas. In the United States, motorcycle enthusiasts may want an electric motorcycle for leisure or a green, no-emissions Super Scooter for commuting. Or they may want to grow their power-sports collection. But in Brazil and other parts of Latin America, traffic and pollution are so terrible that having an electric scooter should almost be a mandate. Still, it's difficult for a company at our stage to go international. We have to go more slowly than we'd like in order to leverage our limited resources.

Q: *How are you preparing to scale?*

A: To make the big steps and bold moves that pave the way for rapid growth, we have partnered with Dakkota Integrated Systems, a leading lean manufacturer for major automobile companies. They provide scalable, high-quality assembly in ISO-certified plants staffed with union workers. If we had been trying to build comparable manufacturing ourselves from ground zero, it would have taken a massive investment of time and resources—tens of millions of dollars. Not having to do that—being able to piggyback Dakkota's

resources at a fixed assembly price—is about as strategic as a partnership gets.

Q: *What's it been like to create a start-up?*

A: While start-up life is always crazy and beset with one problem after another, it's been fun and exciting to work with a talented team of engineers and technicians. The founders got very far on their own in prototyping the product. And the company has delivered the production version of the product to market in an extremely capital-efficient manner and at a tiny fraction of what the competition has spent.

It's also been great to grow this business in Michigan; the state of Michigan and former GM vice chairman Bob Lutz are also investors. Michigan has a convergence of battery and electric vehicle (EV) technology, excess manufacturing capacity, a trained and available workforce, and a lower cost of doing business compared to the coasts. And while it's still very early days in the market, we just love the idea that next-generation manufacturing in the automobile state could focus on electric vehicles.

Q: *What challenges does your business face, and how does that affect your IT strategy?*

A: We face all the challenges of early-stage companies: how to sell profitably to our target customer, how to stay ahead of the competition with disruptive technology and a better business model, and how to keep the wheels on while we're doing it all. I call our

IT strategy the three-ring circus. A tiny team juggles scalable IT infrastructure, cloud services, and everything we're doing on our Super Scooter to manage its powertrain and to send performance data to the cloud.

Customer service is a key differentiator for us. That's why we set our sights on designing the most intelligent, most digital Super Scooter to date, which enables remote diagnostics. But this design approach also adds product and IT complexity, along with additional costs and management overhead.

As the first Dell Innovators Credit Fund Founders Club member, Current Motor has had the opportunity to get comprehensive, scalable technology solutions from Dell on a very capital-favorable, cash flow–positive basis. It's a win for the company, its investors, and Dell. I think Dell realizes with its Founders Club and Innovators Credit Fund initiatives that if you lock in technology solutions for the good entrepreneurs and if you help them grow and go international, you have them for life—the good entrepreneurs keep innovating. It's one of the smartest things Dell can do.

Q: *In a social media world, what is your role in fostering the connection between end users and the business?*

A: Being on a scooter is a much more social experience than being in a car. Riders want to meet with buddies to ride together and then perhaps go for a hike or meet up at a café or coffeehouse. So we thought there was a real opportunity to put the *social* in *social mobile*

using our digital dashboard, Wi-Fi, and smartphone apps.

Our digital dashboard shows the speed, odometer, amperage, and level of charge—all based on Dell technology. We also have an onboard computer, the Bike Control Unit or BCU as we call it, which manages the powertrain and communicates directly with the dash. Riders can see if the battery is charging or receive alerts. Through built-in Wi-Fi, riders can remotely communicate with the Super Scooter using our smartphone apps to check or schedule a charge, plan trips, and see how much carbon dioxide (CO_2) they've saved. The Wi-Fi also enables us to send performance data to the cloud.

And we've integrated other social experiences too. For example, our trip-planning app helps riders plan a route through Google Maps and saves frequent trips. It is designed to get increasingly intelligent in estimating whether enough charge remains to complete planned trips, thus helping to reduce a rider's range anxiety. Also, riders can share with their friends through Twitter or Facebook about what they're planning to do or when they've arrived at a meeting place. Later, we expect to support automatic check-ins through foursquare and other location-based apps. We see social mobility as an integral part of the green and digital lifestyle our target customers are creating.

Q: *It sounds like you're utilizing the cloud quite a bit. What benefits do you expect from that?*

A: The cloud definitely plays a large role in our business. As soon as customers configure Super Scooters on our Web site, the info is sent to the salesforce.com Sales Cloud, so we know what models, accessories, and wraps they're interested in even before they make a purchase. If a customer calls, we can recognize that person through the salesforce.com integration with our Dell-installed voice over IP (VoIP) phone system.

For each customer, we store information on the exact version of his or her Super Scooter, including a picture of the wrap and accessories as well as the lot numbers of all key components associated with the VIN number. We also have the bike's performance information that the digital dash sends periodically to the cloud, where we aggregate it and mine it to make better products.

We store a summary of rider data in the salesforce.com Service Cloud, so when customers call us with a question or a problem, the VoIP system pulls up their records. The customer service representatives then have very rich data at their fingertips: performance history, trip history, the lot numbers of various powertrain components, the scooter's exact appearance, and prior customer interactions with which we continually develop individual profiles. This is truly big data for Current Motor and we believe it will help us deliver superior customer service and responsiveness.

Q: *Is it possible to ballpark the number of jobs that have been developed or furthered by Current Motor?*

A: Since I've been at Current Motor, we've doubled in size. We're helping to support probably a dozen contractors who are working with us on different projects, from marketing to software and engineering. And now we're adding jobs at Dakkota. This is the ripple effect on the economy as entrepreneurial companies grow.

While I invest in early-stage companies to make money by solving big and interesting problems, at times I feel like it's almost a patriotic thing to do. Our country desperately needs the ingenuity, innovation, jobs, and solutions entrepreneurs create—and the early-stage investors who support them.