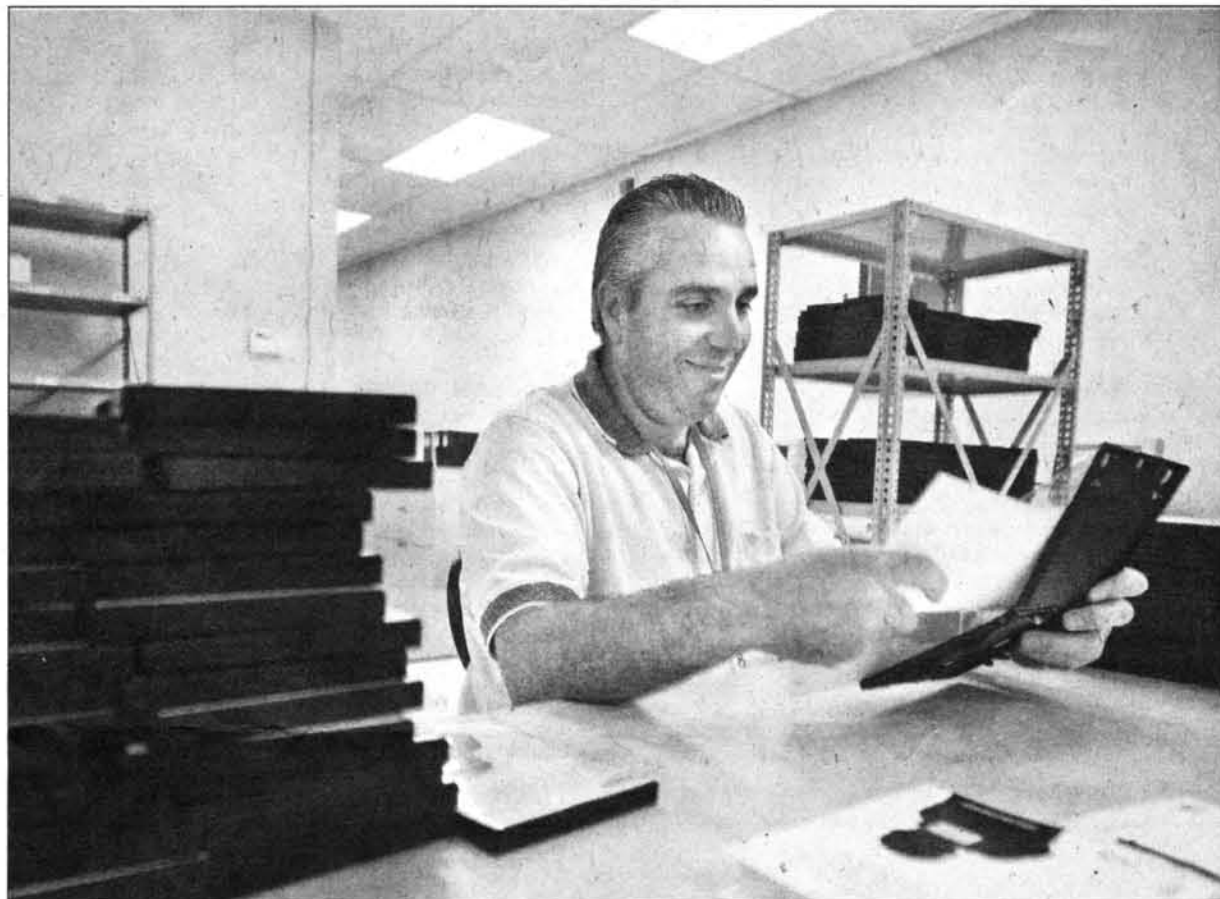


Veramark stresses software innovation



DIEGO JAMES ROBLES staff photographer

Mike Griffin of Palmyra assembles units of VeraSmart 8.0 software at Veramark's Pittsford headquarters.

There are about 50 key companies in this arena, none of them huge, which means there is room to gain market share.

"What customers want is visibility into what they're doing and where they're spending their money," said Ralph Rodriguez, senior analyst with Aberdeen Group in Boston. "All of that is predicated on having good business intelligence tools to create reports and other pieces of information the financial officer can use to make intelligent business decisions."

Rodriguez said he believes Veramark is starting to differentiate itself in the market.

Mazzullo replaced David Mazzella, who retired at the end of 2007 after serving 11 years as president and CEO. Mazzullo draws on 20-plus years of experience in design automation, supply chain management and information technology. The 51-year-old Penfield resident started and sold two software companies before joining Veramark.

The company employs about 70 people in Pittsford and 15 others scattered across the country.

In 2007, Veramark lost \$706,000 on sales of \$11.9 million. The loss widened from \$488,000 in 2006, but sales were up 15 percent.

In the first quarter of this year, the company's sales dipped slightly to \$2.7 million from the same period of 2007. Veramark's net loss was \$194,000, compared with a profit of \$118,000 a year earlier.

Chief Financial Officer Ronald Lundy said a slowing economy affected the first-quarter results, as did severance payments necessitated by a restructuring that saw an unspecified number of layoffs. The company also has done some hiring, and Mazzullo said the sales staff has been reorganized.

He said the company is working on going international by offering its services in Europe and Asia.

Veramark also has partnered with California-based Ingram-Micro Inc., a big distributor of technology, in hopes of driving growth and increasing its visibility in the marketplace.

"There are a lot of little things that will add up and make us a great company," Mazzullo said. □

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Telecom helps companies maintain efficiencies

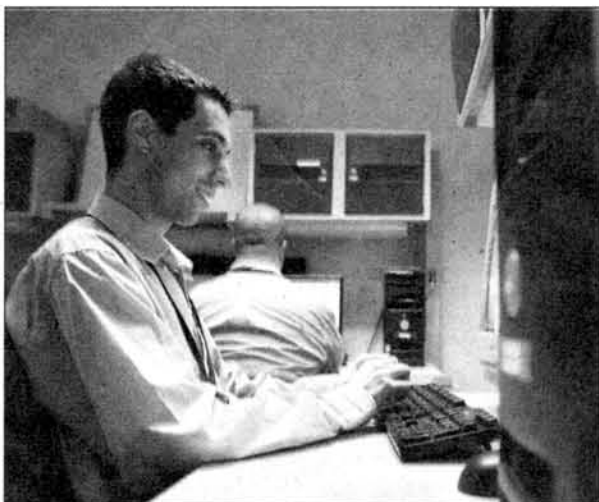
DANIEL WALLACE
STAFF WRITER

There's a race to innovate among telecommunications companies involved in software development. Tony Mazzullo, the new president and chief executive of Veramark Technologies Inc., believes he has the beginnings of a good team and strategy to inch toward the head of the pack.

The Pittsford-based company specializes in controlling telecom expenses by managing a company's voice, data and wireless services through a combination of auditing, consulting and software.

"The network is clearly getting more and more complex," Mazzullo said this week, explaining why he thinks Veramark's services are increasingly valuable.

Veramark monitors and helps companies track how



DIEGO JAMES ROBLES staff photographer

Brian Deissinger of Rochester, a software test engineer, checks the latest version of Veramark's flagship product, VeraSmart 8.0, at the company's Pittsford office.

their networks are used or abused by carrier billing errors and extra charges for services that aren't rendered. The savings can range from 2 percent to 25 percent depending on the

complexity of services needed for invoice processing, call accounting and bill paying.

The 25-year-old publicly traded company services 3,700 customers. ESL Fed-



Tony Mazzullo is 51 and the company's new chief executive officer.

eral Credit Union is one of them.

"I find that their products are more organized and easy to use to find information to generate reports," said Rick Marlowe, telecom manager at ESL in Irondequoit, who is a user of the company's recently released VeraSmart 8.0 expense management software.

Historically, Veramark has been a follower in releasing new products. Mazzullo's goal is to upgrade its product offerings every three months, saying VeraSmart 8.0 is a hint of what's to come.