

Maxx's Appliances Inc.

History, current product development and market progress *(As reported in Forging Appliances Magazine, December, 2021)*

Maxx's Appliances was started over 100 years ago by Joe Maxx. Joe was a free spirit and a mechanical tinkerer. When mechanical refrigeration became reliable and the use of non-lethal refrigerant fluid was proven, he began to build mechanical refrigerators. From there Maxx's Appliances blossomed.

Maxx's refrigerators gained a strong reputation for durability and reliability. They would often run more than twice the hours of competitors before needing repairs. With this success in hand Maxx's Appliances expanded into other appliances, washing machines, dryers, stoves, and freezers. They did not venture into air conditioners because Joe believed people would not pay for reliability and robustness in buying partial use air conditioners. They only operated a part of the year so people buy cheap. Not the kind of business that Joe found satisfying.

The Maxx family controls 100% of the voting rights of Maxx's Appliances Inc. The remainder is in reserved stock units awarded as incentives and bonuses to employees. These vest in four years and do not have voting rights.

The current Chairman of the Board is Jane Maxx, Joe's granddaughter. Jane is known for her aggressive attitudes toward leveraging technology to gain profitability.

The CEO is Sir Barthelme Cain Esq. A British Engineer and marketer known globally in the residential and small business appliance business. He has expanded Maxx's served market to include refrigerators for small business such as restaurants, bakeries, butcher shops, and independent grocery stores. All businesses that need refrigerators. Maxx Appliances does not manufacture vegetable display coolers, however they do sell a re-brand a line of coolers manufacture by others.

Last year the Maxx family funded an independent study of the appliance- small and medium size unit, markets and suppliers. This study provided two startling findings. First, the most profitable future is in internet connected Smart appliances. They are still studying the market for appliances with smart hub capabilities. The Smart Hubs would perform the command functions for connected systems, making many decisions about the operations, such as optimizing usage of electricity during low cost periods. The use of one central Smart Hub would centralizing hardware and software for all the connected systems.

Maxx's market studies consistently project good performing retailers and original equipment manufacturers (OEM's) with reliable technologies for these Smart, internet connected, decision-making, machines will be rewarded with return on sales of more than

double that of suppliers of traditional machines. Because of this the Maxx family instructed Sir Barthelme to move the company into Smart products- starting with a Smart refrigerator.

Barthelme being a marketer also saw the opportunity to make the refrigerator the central brain in a net work of Smart products for all local services. But the company's initial product development work to create a modern design Smart refrigerator with internet connectivity exceeded the project budget by 90% and took over twice as long as planned.

Maxx's owners and executives decided to move quickly. They decided that to start selling the Smart refrigerators they would introduce a mechanically and electronically reliable device now. This leaves opportunities for the software improvements, user desired APPs, and API's for connected systems business to third parties and future inhouse product enhancement projects.

To be more successful and not repeat the disastrous project performance, Maxx's Chief Operating Officer Thomas Young decided to bring in experts skilled in Agile Product Development to manage completing the development and current go-to-market introduction including that Maxx plans to offer to the third-party developers a path to the market through Maxx's retailers. Experts from Gorwel Staffing are now on site starting this work