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TECHNOLOGY WITH ALOHA

Last Monday morning, I asked the question I hoped never to ask the Mauna Lani Hotel concierge: "Where is the business center?" For a moment I thought I had a reprieve, a good excuse. "I'm sorry," she said, "the business center is closed for renovation."

After a beat, she added with a smile, "But we do have WiFi throughout the lobby and pool area."

Fantastic, I thought at first, not realizing completely the repercussions of filling the public areas of a Hawaiian resort hotel with broadband Internet access. Yes, it's great to have instant and free access to the Internet - yet another step to that always-connected lifestyle we talk so much about. But ping-ponging between vacation mode and office mode is a challenge to the psyche. And listening to ancient Hawaiian music amid the glow of laptop screens and sound of tapping keyboards puts a dent in the aloha to be sure.

But it would be wrong to think of Hawaii as a technology-lite zone, as an island chain that time forgot. Indeed, some pretty amazing technologies are coming out of the islands. Attendees at last fall's DEMOmobile may remember Landmark Networks, the first Hawaii-based company to come to a DEMO conference. That company - now called Firetide Inc. and now moved to the mainland - is not an anomaly.

In fact, technology R&D is actively supported by a Hawaii law that provides significant tax credits for those who invest in technology. That law has spurred development among start-ups, and perhaps more significantly among larger companies that have used it to spin out technology subsidiaries. State politicians are debating now whether to renew the credits which are due to expire next year.

With or without credits, some of the most interesting development will continue among individuals - brilliant programmers - who come to Hawaii for the lifestyle yet continue to work hard on hard problems of computing. One such developer is Aren Kryeziu.

Kryeziu's story is intriguing and could fill a much longer

column. The German native moved to Maui after a string of amazing successes in his home country. He began building Web sites for some locals and out of that work needed to find a better way to stream video. Dissatisfied with the performance of the leading technologies, he developed his own codec and video player. The result, a product called VX30, is outstanding, offering superior quality and compression to Media Player 9. His company, Maui X-stream, has caught the eye of some pretty significant customers.

When I ask Kryeziu whether building a company on the Islands is a disadvantage, he says no. He contends he works at his computer "19 hours a day" and is as productive as any mainland developer. But, he concedes, "at least once or twice a week I have to go out and surf and just be outside."

Hawaii works for Kryeziu because he's a one-man show, developing amazing and necessary technology. And he has a great customer base, he adds, in the wealthy executives who make Maui their second home. These folks are both inspiration and transportation for his ideas, creating a sort of technology ecosystem that enables Kryeziu to work in Maui, yet reach targets on the mainland.

For him, Hawaii is a developer's paradise.

CAN YOU HEAR THE RUMORS NOW?

For the past few weeks, industry insiders have been listening for news and rumors relating to the expected sale of AT&T Wireless, the largest cellular operator in the U.S. with an estimated 15 percent of the market.


AT&T Wireless' CEO John Zeglis told analysts last week that the company has retained Merrill Lynch to vet potential buyers. Among the suitors getting airplay are Cingular, Verizon, Verizon's UK-based investor Vodaphone, and Japanese cell phone innovator, NTT DoCoMo (which already owns a 16 percent stake in AT&T Wireless).

Of the four companies, most wireless infrastructure and cell phone software suppliers hope DoCoMo emerges as the winner. The reason is simple: In its home market, DoCoMo has repeatedly put big bucks into infrastructure products and marketing programs that drive usage and set usability and feature standards for an industry. DoCoMo pioneered third-party revenue sharing, a fact that is not overlooked by American start-ups under pressure to generate sustaining revenue streams. An acquisition of AT&T Wireless by a company like DoCoMo or even Vodaphone could invigorate an otherwise moribund industry that is steps behind the Japanese and European markets. Vodaphone doesn't make the short list of AT&T Wireless suitors, however, because of its investment in Verizon.

The AT&T Wireless sale, whoever the acquirer, will launch the consolidation of the U.S. cellular market, and drive new competition to deliver digital network-based features that benefit not just the carrier, but also handset equipment manufacturers and software start-ups as well. That's something we'd all like to hear.

END NOTES

Apple co-founder Steve Wozniak is back on the radar screen. His company, Wheels of Zeus, has inked a deal with Motorola Broadband that lets Motorola develop products using the Wheels of Zeus hardware reference design, which among its features includes



location tracking capabilities. . . DEMO alum Euclid Inc. added money to its bank. The company closed \$4.5 million to add to its already \$8 million that it closed in October. The privately held company makes IT management software. Joining in this round of funding was BlueStream Ventures. Other investors came back to the table, including Raza Ventures and Redwood Ventures. BlueStream Ventures co-founder Raj Gollamudi will join Euclid's board . . . After spending some time on the auction block, Cable & Wireless America's assets will be handed over to Savvis Communications. Network World reports the company will take on the beleaguered service provider for \$155 million in cash and \$12.4 million in debt. Cable & Wireless had filed for bankruptcy in December.

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