

VCs Boost Enterprise Investments In 2007

Enterprise mobile applications in 2007 were a bright spot in an otherwise flat year for wireless equity investments. Venture capital (VC) investment in enterprise wireless applications accelerated in 2007, totaling \$618.7 million worldwide, according to Rutberg & Co. data cited in *Wireless Industry News*. While this is still below the estimated \$750 million peak in 2000, it represents a 55% jump over 2006 (See Fig. 1).

Continuing the trend of the past five years, Dow Jones Venture One data for 2007 show 63% of venture investment rounds went to late-stage companies already shipping product. Only 3% went to start-ups.

While 2007 set a record year for wireless acquisitions, at \$2.3 billion, Venture One data show that VCs must wait an average 6.7 years for wireless venture exits via merger or acquisition, up markedly from a low of 1.7 years in 2001.

At the Dow Jones Wireless Innovations conference in Redwood City, Calif., April 22-23, approximately one third of the 67 presenting firms were enterprise applications or infrastructure ventures. Enterprise applications accounted for 40% of the top 10 ventures voted "best in show" at the event.

The enterprise winners were:

- >Aerohive Networks, a developer of distributed, co-operative control wireless LAN technology;
- >Knowtate, an opt-in, location based service to "hyperlink" business messages (including translations) from signs,

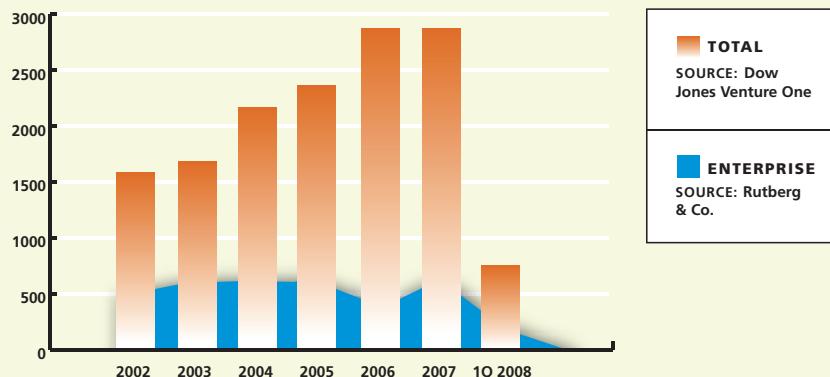
works; Awarepoint, provider of patented RFID plug-in Zigbee monitors currently deployed in hospitals; and Yap, provider of a clientless platform with fully automated voice recognition and real time machine translation to text.

A key topic for attendees and speakers throughout the event was the next-generation iPhone's feature set and whether it would

10% a year. He declared "we want to become the plumbing of mobility extension."

- >In a session on location-based services (LBS), speaker Jim Goetz, Partner, Sequoia Capital commented that the appointment of John Donovan as CTO of AT&T might prompt the carrier to show more interest in LBS.

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shelving, kiosks or billboards to cell phones;

- >Mojix, a developer of patented digital signal processing for RFID with 1,000 foot range and no line-of-sight requirement; and
- >Trafficast International, which develops predictive modeling software for analysis and management of traffic.

Other enterprise presenters included Proximetry, provider of real-time performance management for multi-vendor, multi-protocol, multi-frequency net-

work make inroads into the enterprise space dominated by Research in Motion's BlackBerry. Among other session highlights:

- >Several speakers, including J.H. Kah, SVP Business Development for SK Telecom International, said they don't believe U.S. cellular networks will truly support open access.
- >John Chen, President / CEO of Sybase, Inc., used his keynote to affirm his firm's strategic commitment to the mobile middleware market, which is growing at

- >When it comes to mobile payments, Dion Lisle, SVP of Citigroup's mobile venture unit, said "customers want solutions to problems; they don't ask for specific phones. In the U.S., proliferation of devices is a problem; it's hard to be a start-up serving a continental footprint."

The number and quality of enterprise ventures at this year's event is cause for celebration and holds promise for future productivity gains for enterprise wireless users.

— BRENDA LEWIS