efficiency and reliability of electric distribution.

MOVERO and **PALM** are making it easier for businesses to acquire and manage Treo smartphones for employees. Movero's Business Essentials program offers IT organizations access to tolls that automate change-of-service and management transactions and eliminate upfront equipment costs. Palm claims the joint effort enables businesses to accelerate ROI by mobilizing workers and reducing dependency on IT resources.

FOCUS ENHANCEMENTS and **MAPOWER** are developing wireless links for remote disk drive storage devices using technology based on Certified Wireless USB from the USB-IF. The companies are developing storage solutions that can communicate with PCs wirelessly using Ultra Wideband technology.

DEPLOYMENTS

The **UNIVERSITY OF GEORGIA** is getting wireless services in its athletic facilities. The school has deployed a WLAN system from **EXTRICOM** in a complex that hosted the NCAA Championships in May and is planning to provide wireless coverage in a training center that is still under construction. Future coverage will be extended to the university's stadium, coliseum and athletic fields.

A new service parts inventory system deployed by **JUNIPER NETWORKS** has enabled the company to achieve considerable ROI in less than three months. Juniper is using a solution from **SERVIGISTICS** to manage 40,000 service parts at 182 stocking locations worldwide.

VC Investment in Enterprise Wireless Continues Decline

Venture capital (VC) investment in enterprise wireless applications continued to decline in 2006, totaling only $73.3 million on a global basis according to the research-centric investment bank Rutberg & Company. This compares to what is believed to have been about $750 million at the peak of enterprise investment in 2000.

While part of the decline in enterprise wireless venture investment is explained by a shift into consumer mass market investments in wireless games, video, TV and music applications, most is attributable to the inimical environment for venture investment created by the U.S. cellular carriers. With the exception of Verizon Wireless, whose parent owns MCI, and the blue-collar application expert Sprint Nextel, the cellular carriers have shown little enthusiasm for enterprise applications, which typically require systems integration to link with legacy systems.
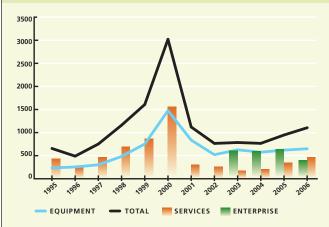
In Europe and Asia, where cellular carriers compete on quality of service and coverage, third-party providers offer wireless devices, application software, provisioning and integration. As Sam Jadallah, a partner at Mohr Davidow Ventures, points out: "The U.S. carriers have end-to-end control and man-agement of the cell phone ecosystem." Not only do the U.S. carriers fail to cooperate to create a common, open platform for wireless enterprise applications, but they have created walled gardens with white label "one-size-fits all" software, limiting independent software choices for the enterprise.

Scott Raney, a partner at Redpoint Ventures, believes carriers must exert less control over the industry. In this April's *Red Herring* he said: "Once the carriers realize that they shouldn't be in the software business, but should open it up to others, we're going to see an explosion in services and we'll be able to figure out a way for everyone to make money."

In the interim, the long slide in enterprise wireless investment has serious implications. Mobility solutions represent relatively low-cost, high-ROI investments for corporate enterprises. We know that there is a continuing push by companies to use IT investments to drive productivity and an imperative to implement mobility solutions. Yet U.S. productivity, which had been growing at a robust 2.9 percent per year from the decade of 1995 to 2005, slowed to 1.6 percent in 2006. Might there be a link between these two developments? Without end-user research it is impossible to know, but lack of innovative new applications for enterprise wireless may well be impeding corporate investments in mobility and holding down corporate productivity.

— BRENDA LEWIS

U.S. Wireless Venture Financing 1995–2006
Global Wireless Enterprise Financing 2003–2006
US $ millions   SOURCE: Dow Jones Venture Source; Rutberg & Co

EQUIPMENT   TOTAL   SERVICES   ENTERPRISE