

2007 Frost & Sullivan

Entrepreneurial Company Award

Award Recipient: TeleWare plc Private Mobile Networks

2007

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AWARD DESCRIPTION

The Frost & Sullivan Award for Entrepreneurial Company is given each year to the small company that demonstrated superior entrepreneurial ability in its industry during the research period. This Award signifies the company's identification of a unique and revolutionary product solution with significant market potential. Additionally, the Award certifies that the company's marketing strategy is sound and poised for success.

RESEARCH METHODOLOGY

Entrepreneurial ability is assessed using mostly primary research with top manufacturers and end-users in the industry. Frost & Sullivan analyst teams perform extensive interviews with the company in question to evaluate its products, business, and marketing plan. In addition, primary research with leading manufacturers is performed to benchmark the Award recipient's strategy for growth against established players' strategies. Also considered are elements such as strategic alliances, expected time to market, and the senior management team. Primary research with end-users is also conducted to evaluate and compare the value of the Award recipient's product solution.

MEASUREMENT CRITERIA

A recipient that is chosen for the Frost & Sullivan Award for Entrepreneurial Company must match the following criteria:

- The company must have fewer than 300 employees.
- The company must have identified a brand new and completely unique product solution.
- The product solution must have significant market potential - at least \$200 million - and a high probability of reaching its potential in the next 2-5 years.
- Financial and employee based resources to ensure a large probability of success. Financial resources include backing from VCs, IPOs, and funding from large corporate partners.
- Protection from competitors: patents, large product development lead time, strategic alliances with key component suppliers, etc.
- Strong plans for marketing: strategic alliances for distribution, relationships with key customers, voluminous positive-press in the media, endorsements from industry experts, etc.

**2007 Entrepreneurial Company Award in the field of European mobile enterprise**

Frost & Sullivan awards the 2007 Entrepreneurial Company Award to Private Mobile Networks in recognition of its role towards the advancement of private GSM networks in the United Kingdom.

Background

Ofcom auctioned technology neutral spectrum for GSM guard bands (1781.7-1785 MHz paired with 1876.7-1880 MHz) in March 2006 under the regime of communications act. Teleware PLC successfully bid and won a license for an amount of £1,001,880. Later the group company created a separate entity by the name 'Private Mobile Networks'.

Market Opportunity

The business opportunity for licensed low power wireless technology is huge. While on one hand, there is a need to extend connectivity and business communication ubiquitously available within the premises; on the other hand the cost of last mile public wireless access is substantially higher than alternate access technologies.

Technology neutral license auctioned by Ofcom allows a provider to leverage the opportunity and help businesses increase their competitiveness.

Private Mobile Networks

Private Mobile Networks (PMN) launched a disruptive solution using proven technology. PMN aims to build a solution set that not only leverages the latent opportunity and the strength of the license but also benefit from the latest buzz around fixed-mobile convergence. In its initial phase, PMN will greatly benefit from the scale, reach and pervasiveness of GSM in the in-building market. To this extent, they have introduced their own SIMs into the market.

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Product Portfolio

The principal device is a Private Mobile eXchange (PMX). It acts as the gateway between the PBX and the wireless coverage provided by PMN. Deployments typically include base stations that use the corporate LAN/WAN infrastructure to connect to a central server and associated gateways. The scope of this architecture is far reaching. Enterprises can virtualise their distributed campus wireless infrastructures in their branches to a single server connected to the main PBX. This architecture is inline with the roadmap of most PBX manufacturers.

Competitive Advantage

The potential of in-building mobile solutions are far reaching. Several stakeholders have developed various value propositions to explore the opportunities in this space.

- Mobile PBX solutions have been conceptualised by several mobile operators. Several of them aim to offer PBX grade features on hosted softswitch. It is a complicated architecture to deal with in first place. Until now, there isn't a single service provider that uses this model in-house for all of their telephony needs.
- PBX extension on mobile is a model greatly advocated by PBX suppliers including Cisco and Avaya. Using a software interface installed on a smart phone (dual-mode), businesses can enjoy continued connectivity to enterprise systems while being away from the office. The drawback of this model is its reliance on software interfaces that run on specific models and that may not work in a multi-vendor PBX network.
- Private wireless networks aim to leverage the high number of communication requests initiated on non-wired devices from within a building. The biggest disadvantage is the need for separate device inside the campus. Further, the cost of integration and management of such solutions are substantial and complex.

In comparison, PMN uses the same pervasive public wireless technology and therefore can use the existing wireless devices. It does not need the installation of separate client software. In addition, the PMX integrates with every PBX either directly with that that support SIP or using a Gateway. In addition, PMN has developed middleware to support non-SIP and proprietary SIP interfaces. Without adding any complexity, PMN offers ubiquitous in-building coverage. The fundamental challenge for PMN is to develop attractive roaming agreements with mobile operators.

Partnership Ecosystem

PMN has developed an ecosystem of partners which includes TMG, Riva Networks, Azzuri, and Centric Telecoms. It has selected IP Access to supply pico-cells. Comms Factory provisions, manages and supports the installations.

Marketing the Proposition

PMN has over 10 customers including both Civilian Enterprise deployments and the Military; garnering revenues in excess of \$0.7 million in the UK in less than 12 months. While most of the deployments are relatively small, this initial group of customers will serve as strong references for the vendor. With a 100% indirect go-to-market model, PMN has developed compelling business opportunities for its channel partners. These include value add opportunities such as installation, commissioning, site surveys, and value add equipment such as back haul capabilities. Currently, PMN has over 6 resellers with a target of 12 by the end of 2007.

Conclusion

Ubiquitous connectivity is gaining mindshare in the market. Several stakeholders are diversifying into this highly promising market opportunity. PMN has successfully managed to get most of the key elements right. Frost & Sullivan commends the entrepreneurship demonstrated by the team at PMN. It believes that PMN has the capability to grow significantly in this emerging yet highly competitive market.