

# Mobitex gains independence



Andrew Fitton, CEO of Mobitex Technology AB

At last, Mobitex is breaking out of the Ericsson fold and beginning a new life in the independent company Mobitex Technology AB based in Gothenburg, Sweden. Finally, Mobitex will be marketed as a unique brand by a company that is exclusively focused on delivering industry leading wireless data solutions. With this change, Mobitex will be able to take a more prominent position in the wireless industry.

Mobitex Technology AB will be owned by an independent group of UK investors. Andrew Fitton, previously CEO of UK operator Transcomm Plc and former president of the Mobitex Association, leads the group and Sweden's largest banking group Handelsbanken backs the new company. The buyout comes as a natural step for both Ericsson and Mobitex. Ericsson is focusing on large telecom players operating worldwide, but future long-term growth for Mobitex will lie in dedicated networks for prioritized segments and in the development of existing networks. The time has now come, and a smooth transition to an independent company has taken place.

The break with Ericsson is also by no means total. On the contrary, Mobitex Technology AB's acquisition of all Mobitex operations includes a long-term strategic partnership agreement with Ericsson that regulates the transfer of intellectual property rights and patents and ensures that Ericsson will continue to manufacture and distribute Mobitex products on behalf of the new company. Mobitex customers can thus rest assured that it will be very much business as usual and that there will be long continuity in their relationships with the Mobitex organization in Gothenburg.

## Strategic partners for new markets

"Naturally we will create new sales channels and expand our partnership program," says Andrew Fitton, president and CEO of Mobitex Technology AB. "Over the next 12 months, we expect to announce a number of strategic partnerships that will significantly expand the market for Mobitex. Sales through Ericsson market units will probably only take place during a transitional phase, except in developing markets where there are clear benefits for both parties.

"We will concentrate sales efforts on existing Mobitex customers and focus additional resources on a small number of clearly identified sales opportunities where the unique properties of Mobitex give it a clear advantage. Negotiations are currently in progress with a number of prospects. Clear opportunities also include any requests for tender in prioritized segments, such as emergency services, transport and M2M (machine-to-machine), where we

know that Mobitex is the best solution for wireless data."

With his past experience, Fitton knows where these opportunities lie and has a proven track record in creating a successful wireless business. "Many Mobitex operators already deploy a number of machine-to-machine applications on their networks," notes Fitton. "This is an area of the telecommunications industry that is predicted to grow very fast over the coming years. Mobitex operators are extremely well positioned to win new business in this fast growing sector. In the industrial and government sectors, particularly in public safety and public transport, there is also a demand for reliable Mobitex solutions running on existing networks or as an enterprise-dedicated data network."

The Mobitex technology and products match these and other targeted market segments extremely well. As an independent company, Mobitex Technology will be more focused and more flexible and thus better able to serve existing and new customers on a long-term basis. Put simply, the new company will be able to leverage market opportunities that are unreachable for the telecom giants.

## Customer offerings enhanced

The organization possesses expertise and experience in mobile data technology, applications and markets that are unparalleled in the industry. This capability has the potential to flourish within an independent company environment. What has been a successful and profitable business for many years can only grow stronger

and bring Mobitex to new heights.

"Mobitex Technology is now a lean, flexible and very dynamic organization that is able to shape its own destiny," says Andrew Fitton. "Compared with the telecom giants, we are not a large company, but with over 30 networks in operation and such industry leaders as Cingular Wireless and British Telecom among our customers, we certainly cannot be regarded as a small player. On the contrary, as we announce new partnerships and open new markets, Mobitex Technology will be recognized as a very serious player in the wireless data market."

Response among existing customers has been overwhelmingly positive, with many expressing the view that the change was long overdue. Mobitex Technology AB has long-term contracts with key customers, and as a new company it will be more proactive and flexible in customer offering.

## Product development intensified

The new owners believe strongly in the Mobitex product development strategy. "The product roadmap is actually improved," says Andrew Fitton. "We immediately put more emphasis on key projects, with the new network switch being a major priority. We have also authorized a new base station project that would not have been started previously. The development team is in a much better position now because the roadmap extends further into the future."

Andrew Fitton reveals that several important development projects remain on track for release as scheduled.



These include R9, a new system release that will reduce the number of switches required in a network and result in a flatter architecture. Also in the works are a new base station and the MSN node that will significantly reduce hardware costs.

“Naturally, increased effort will be required to ensure that we reduce manufacturing costs to increase competitiveness,” continues Andrew Fitton. “We will also look at implementing requests from our customers for new functions and products. Not everything will happen overnight, but the profits that the business generates can now be used to fund Mobitex development exclusively.”

## **Establish a global brand**

With the founding of Mobitex Technology AB, the world’s best and most cost-efficient narrow-band wireless data technology now becomes a global brand. This change will enable Mobitex to be established as a global brand and mark the start of a new era in which Mobitex will increasingly be regarded as a leading player in the wireless data industry.

“We are not interested in becoming a service-oriented business merely serving an existing customer base and scoring a few wins. Together with the newly revitalized Mobitex Association, Mobitex Technology AB will drive Mobitex to the position of prominence in the industry that it deserves,” concludes Andrew Fitton. <