

CM

Cellular Marketing

Action Strategies for Personal Communications Experts

INSIGHT

"The great potential for growth in the next decade will come from the ability to sell wireless communications in the office and the home, not just mobile," says Jim Phillips, president of Telular.



Jim Phillips

What is Telular's "Mission Statement" in terms of the role it wants to play in the wireless future?

We have been preparing for the wireless future since the company was founded in 1986 through the development of technology which we believe bridges wired and wireless technologies. The technology is flexible enough that we will play a significant role no matter how the wireless future eventually takes shape.

Telular has formed a number of strategic alliances — what do you hope to gain from these alliances?

We hope to gain opportunities for a larger market, opportunities for shared R&D, new product applications, and new product development. We are looking for partners which take us right to the customers. We have a great product but we don't see ourselves hiring 1,000 sales representatives, but we do see ourselves having thousands of sales reps. via these alliances with major industry players.

You have recently signed an agreement with American Mobile Satellite Corp. (AMSC). Are you planning alliances with other mobile satellite companies?

Obviously there are possibilities with other carriers but the two that come to mind with most people is AMSC and Iridium, and we see a

role in both. Our focus right now is with AMSC because it will deploy quicker.

Telular holds 5 technology patents. What are the advantages of holding these patents?

These patents are the foundation of Telular's ability to bridge wired and wireless communications technologies. Of course they've been court tested so we are confident that they have staying power. Every major player in the industry understands that the great potential for growth in the next decade will come from their ability to sell wireless communications in the office and the home, not just mobile. In fact, in some countries when they roll out the cellular licenses, the licenses are for mobile and fixed.

Which carriers are you currently working with?

We have been working closely with Bell Atlantic, Nynex, Southwestern Bell, US West and McCaw. And there will be some new announcements forthcoming. I am currently trying to forge significant contractual relationships with these companies that have to do with how they market our products and the support levels we provide. We don't want to sell our product through wholesalers, in fact I am restricting that. We want to have true alliances which require significant levels of commitment and support from our distributors.

Telular has changed dramatically since you became president in 1992. What have you done to accomplish this?

We've invested millions of dollars into a complete product line which is 7 to 8 times larger than it was two years ago. Six months ago the smallest product that was out there in terms of fixed cellular was a 35 pound device that a typical sales rep. couldn't even get upstairs for a product demonstration. Today, that device is sleek, attractive and easy to take out and demonstrate applications and operability.

We take a more strategic approach to all elements of marketing cellular technology. Our products look totally different to our worldwide sales organization — there's a much greater emphasis on partnerships with other major industry players for distribution and joint product development. I'm also working to position this company to play a more important role in educating American businesses to the benefits of a wireless society. In the past we were that sleepy manufacturer with a well-kept secret. In terms of elevating the awareness of wireless, it is our role to be a part of the education of the American business and the American consumer to the benefits of wireless.

We represent the other half of cellular — the fixed side. A few years ago there wasn't much thought about the fixed cellular side. People were so

busy dealing with the pent-up demand for the mobile side. Now this market is maturing and we need to think of ways to expand the role of wireless so it permeates all aspects of the business and consumer market. Cellular is far more than mobile. Wireless is so much more flexible and, in many cases more reliable, than the fixed network because there are no wires to freeze, break, or get cut.

Who do you see as your competitors?

In the foreseeable future we will only have strategic partners. We have a patent and while there are some people who use our patent — for example, we have a cross license agreement with Motorola which allows our interface to be sold to other companies who take and design products around — we are paid a royalty for any fixed cellular solution out there. Those people to a certain point are our partners.

What are some of the challenges Telular is facing today?

The ability to quickly manufacture and distribute our technology at a pace equal to the demand. We have tripled production in our factory in the last few months. It's hard to forecast the demand levels because there are so many new partners and distributors coming on.

—Sue Marek
Associate Editor