

Rust Report

News and views of the action in Australasia's IT sector this week

March 12, 2010

THE RUST BUCKET

Clouds are lifting

The buzz around cloud computing has reached fever pitch; enterprises are addressing new challenges unique to the cloud environment, building applications and infrastructures that are designed to scale from the start. The movement from traditional on-premise software to cloud-based applications represents a fundamental shift at the enterprise level.

As the landscape shifts from on-premise to on-demand, vendors' business models will also change to reflect the dramatically different economies of the industry. Lower price points, lower margins, lower barriers to market, much faster speeds to market, and more products and services can be expected from competitors. Vendors will need to scale their operations and delivery capabilities to unprecedented levels in order to succeed.

Cloud computing will enable application scalability in global reach, volume, and ubiquitous access. It also offers hope to CIOs who have been forced to reduce their IT costs over the past decade.

Like all hyped-up technology plays, the cloud in its various forms is being touted as the magic solution that cures many IT ills. But what is the cloud really good for and what killer apps can we expect to see? These days most data centres are in need of upgrades; they are warrens of under-utilised hardware and require more and more people, space, and power to keep them operating. With the economic malaise there are increased pressures to become more efficient and do more with less, which is one of the cloud's promises.

Recent headlines have said it all. Fujitsu takes off into the cloud. Microsoft is betting the company on the cloud. IBM adds public cloud software to spur revenue growth. All the major players are jumping on the bandwagon in one way or other and heaps of minor players are following suit. Some proponents even claim that cloud computing will eventually take over the IT world and consolidate most technology departments!

Meanwhile, sceptics point to plenty of likely problems — and security is high on that list. How can we trust the cloud, the network, or whatever, if we can't know where our data resides? Even when the bandwidth is available and the total cost of ownership is appealing, who will be in control?

But many organisations already outsource functions domestically or overseas and many of these services are secure and working well.

Gartner has predicted that cloud computing will mature in seven years. Frank Gens, IDC's chief analyst and senior vice president, highlighted recently that cloud computing is growing at more than six times the rate of traditional IT. In 2010 it is quickly moving from early adopters to mainstream organisations and is shifting to the top of many CIOs' strategic considerations, often at the request of their senior executives.

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Aussie to build gear for satellite phones

Australian company Beam Communications has been selected to develop and manufacture docking units for a handheld satellite phone that Inmarsat intends to launch in the middle of this year. The deal has been sweetened by a loan of up to \$US3.2 million from Inmarsat to fund Beam's product development and initial working capital costs, explained Michael Capocchi, managing director of Beam.

The agreement calls for Beam to provide not only a standard docking unit, but also specialised vehicular and maritime versions, as well as a unit designed for indoor use.

"The docking units that Beam provides will broaden the appeal of IsatPhone Pro to different markets and extend its use in a wide range of environments and applications," Capocchi said. "Inmarsat's IsatPhone Pro will be distributed through many of Beam's existing global distribution channels and is therefore extremely complementary to the existing business.

"Securing this contract with Inmarsat to develop IsatPhone docking units is a strategic opportunity to diversify the Beam business and work with the world's leading provider of mobile satellite communications." www.beamcommunications.com

Moko.mobi solidifies in UK

Moko.mobi, an Australian company that has developed a platform that allows people to chat via mobile phones or PCs, has been selected for use on the Orange network in the UK. The service will be featured on the Orange content portal and Moko.mobi will manage all the billing and MMS functionality, explained Paul Grueber, senior vice president of business development. "This contract means Moko will have a significant presence in the UK mobile content market, which is an important stepping stone into the mainland European market," Grueber added.

Moko.mobi is also newly live on Movistar (Telefonica) in Spain and Verizon in the US. www.moko.mobi

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INSIDER EDITION

InfoMaster scores more Qld councils

InfoMaster, a subsidiary of ASX-listed software and services company Sirius Corporation, has been awarded contracts to supply online electronic development assessment services to three councils in Northern Queensland. The deal, with the Local Government Association of Queensland, calls for the supply and implementation of services that allow for an online property inquiry, an online land use inquiry, and online tracking of a development application, explained Frank Licciardello, group managing director of Sirius. The deals cover Gladstone Regional Council, Mackay Regional Council, and Whitsundays Regional Council.

This is the third project InfoMaster has been involved in through the Housing Affordability Fund Electronic Development Assessment program, which aims to create a comprehensive and integrated electronic development assessment process in high-growth councils to contribute to improved housing affordability in Queensland. www.sirius.com.au

Datacom brings refiner up to speed

Datacom has completed a contract covering the provision of Web development services to Queensland Nickel, which recently acquired the Yabulu Refinery near Townsville. Following the acquisition Queensland Nickel set out to develop a foundation IT infrastructure to help manage day-to-day operations. Datacom's Townsville office was selected to provide Web development services and to help with an OCS and mobility system, application packaging, and Office 2007 training, explained Kurt Nasarenko, software services business manager for Datacom in Queensland.

"This SharePoint project went from concept to go-live in less than five weeks," Nasarenko said. "It was possible only because of the collaborative style from all parties involved and the just-enough documentation we developed." www.datacom.com.au

Mnet builds mobile fashion site

Mobile marketing company Mnet has built a mobile site for Orotan as part of an integrated marketing campaign. The site allows customers to view a new fashion range, enter competitions, and see video footage of a runway show. Thirty per cent of those entering the competition did so from the mobile site, with the others split between an SMS service and use of a quick response code. www.mnetcorporation.com

Hospital group takes local fix

Southern Health, Victoria's largest hospital group, has selected Australian health systems developer LRS Health to provide an e-health system. LRS will provide its MediPath pathology system to process an estimated 1.5 million pathology tests each year.

"The MediPath system allows clinicians to order tests straight from the patient's bedside," explained Andrew Edgley, CEO of LRS Health. "The system then takes the specimen and, via a completely automated system, interfaces with more than 50 highly sophisticated laboratory analysts for the results. Test results are then returned via LRS Health's secure messaging service, not only to the requesting clinician, but also to other parties involved in the patient's care." www.lrsupport.com.au

Mincom powers into utility deal

Mincom, formerly an Australian developer that is now owned by Francisco Partners, has been selected to provide mobility solutions to Western Power, an electricity company in Western Australia. The systems will help the utility shift from disparate inspection systems to a solution that integrates inspections with the corporate asset management systems, explained Leigh Sprlyan, CIO at Western Power.

The utility already uses the Mincom Ellipse enterprise asset management system. "By augmenting its deployment of Mincom Ellipse with Mincom Mobility solutions, Western Power can now efficiently streamline asset management directly where it happens — in the field," said Greg Clark, CEO of Mincom. www.mincom.com

PieNetworks has second bite

A New Zealand Government department has become the second Kiwi user of a sponsored services contract offered by PieNetworks, an Australian provider of Internet access systems. "The contract will enable the department's end-user customers to make free telephone calls to the department's call centre using PieNetworks' network of Hotspot Webphones, explained Campbell Smith, managing director of PieNetworks.

On its home turf, PieNetworks has entered a two month exclusive negotiation period with Telstra, Smith added. The two companies aim to hammer out an agreement on the terms of a partnership for the deployment of PieNetworks' Hotspot Webphone in Australia. www.pienetworks.com



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BEING GREEN

HP harnesses the wind

Hewlett-Packard has switched on a new data centre in the UK that is claimed to be about 40 per cent more efficient than any comparable facility and the key is blowing in the wind. The centre at Wynyard in North East England uses the ambient air to cool the building and the equipment it contains.

It has been reported that cool air, which is drawn into the facility by huge fans, is filtered and then forced over electronic equipment before being exhausted. The aim is to keep the interior at a balmy 24 degrees Celsius. Maintaining temperatures at that level is not a problem at Wynyard, which is less than 15 kilometres from the North Sea and very rarely enjoys ambient temperatures in the twenties. To cope with the odd times when air temperatures do rise, chillers have been installed, adding to the cost of the building but improving overall efficiency.

Greenpeace on the back foot

After taking a swipe at Facebook's decision to power a new data centre with coal-fired energy (Rust Report, Mar 5, p 5) Greenpeace has been forced to admit that its own hosting operations are less than squeaky clean. The revelation came when a Greenpeace climate policy adviser was interviewed for Data Centre Knowledge and acknowledged that most of the organisation's data centres are hosted by companies that use primarily coal-fired or nuclear power.

The environmental group does, however, buy renewable energy certificates to make its operations as green as it can.

US Feds invest in green R&D

The US Department of Energy has awarded 14 projects a total of \$US47 million to support the development of technologies that can improve energy efficiency in ICT. The government funds will be matched by a further \$US70 million from the private sector. The money will focus on projects that will make data centres and the equipment in them more energy efficient, on the development of software to optimise energy use by data centre equipment, and on reducing power loss and improving heat dissipation in the power supply chain.

ICT facilities in the US account for about 120 billion kilowatt hours of electricity a year, which is about three per cent of total US electricity usage.

Among the recipients of the funds were Alcatel-Lucent, Hewlett-Packard, IBM, and Yahoo.

Aussies worth watching

A roundup of companies making waves at home and abroad

- MYNETFONE (ASX: MNF) provides IP-based VoIP, data, and video services to residential and business customers. The company offers a range of services, each with a strong value proposition for customers around Australia. In just four years MyNetFone has gained 80,000 customers. www.mynetfone.com.au
- GOTALK provides a range of prepaid and post-paid products including voice services such as line rental, local calls, and long distance calls, ADSL and wireless broadband, mobile, VoIP, and calling cards. The company provides its telecommunications services through a state-of-the-art exchange switching centre and generates sales in excess of \$125 million a year from operations in Australia and New Zealand. www.gotalk.com
- CYTRACK specialises in software for unified communications, contact centre solutions, and business intelligence which it distributes in more than 20 countries. The company's suite of modular applications includes the Unified Contact Centre suite, which provides for the intelligent management of many disparate communication mediums. www.cytrack.com
- ATTACHE SOFTWARE provides business systems for small and medium sized businesses. The company's offerings include accounting and payroll systems, with embedded customer relationship management (CRM), business intelligence dashboards (BI), cash flow forecasting, and remote access. More than 60,000 people in businesses across Australia, New Zealand, South-East Asia, the Pacific, and South Africa depend on Attache's software to record transactions, manage stock, and run payrolls. www.attachesoftware.com
- PRONTO provides fully integrated ERP solutions to the mid-market and has more than 1200 customers in 27 countries and a range of industries. Customers include Hyne Timber, Kathmandu, Bolle, the UK's largest photographic retailer Jessop's, and Malaysian healthcare company Ogawa World. www.pronto.com.au
- NETCOMM (ASX: NTC) develops broadband Internet products and services, with a focus on 3G/HSPA devices. The company's diverse product portfolio addresses business, consumer, and specialised vertical businesses, including wireless 3G broadband solutions, data communications products, and Internet productivity services to meet the requirements of carriers, ISPs, and system integrators. www.netcomm.com



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DEALMAKERS

Oakton fights Tenix case in court

Oakton Services, a subsidiary of Australian company Oakton Limited, has launched an action against Tenix Solutions in the Commercial Court of the Supreme Court of Victoria. The action alleges that Tenix wrongfully repudiated a subcontract for the provision of services by Oakton Services relating to the design, building, and testing of software to be used by Tenix as part of an infringement management and enforcement system being built for the Victorian Government (Rust Report, Feb 19, p4). Oakton is claiming damages exceeding \$A12 million.

"Oakton intends to press the proceeding and will vigorously defend any counterclaim Tenix might make," explained Neil Wilson, managing director and CEO of Oakton. www.oakton.com.au

ZYL enters licensing deal

ZYL — an ASX-listed company that was known until last month as Zylotech — has awarded Energy Saving Partners a licence for the nonexclusive use of the surveillance technology used in its Smart G Enterprise protection solution. The aim of the agreement is to enable Energy Saving Partners to help ZYL with the development of its technology.

"The IP licence agreement with Energy Saving Partners will promote the product range of ZYL, giving the company access to new markets within Australia and offering the company the ability to further enhance and develop its product range and capabilities," noted a statement released by ZYL this week. www.zylotech.com.au

Gentrack goes to water specialist

Gentrack, a company owned by meter data management giant Landis + Gyr and ANZ Capital, has entered a partnership with Outpost Central (www.outpostcentral.com), a developer of real-time water monitoring technologies. The two companies plan to integrate their technologies to create a comprehensive solution for utilities.

"Water utilities need to transform traditional relationships with customers," explained James Docking, CEO of Gentrack. "An integrated CRM, workflow, and monitoring solution enables utilities to engage with customers before issues are escalated, to understand behaviour regarding water usage, and then implement an effective communications program to promote water conservation," Docking added. www.gentrack.com

Extend strengthens SAP links

Extend Technologies has entered a premier partner agreement with Winshuttle, a developer of Excel-based business process improvement solutions for SAP users. Extend will resell Winshuttle products that enable business users to work with SAP directly from Excel without programming, explained Kristian Kalsing, head of the Microsoft solutions group at Extend.

- Extend's Human Capital Management (HCM) payroll solution has been qualified by SAP, the first application of its type to be qualified for the Australian market. www.extendtechnologies.com.au

Seek invests in Malaysian company

Australian employment portal operator Seek has moved to strengthen its position in Asian marketplaces by doubling its stake in Malaysian company JobStreet Corporation to 21.3 per cent. JobStreet operates a number of employment Web sites in Malaysia, Singapore, and the Philippines, and holds a stake in its Taiwanese counterpart 104 Corporation.

"In a rapidly growing regional economy still in the early stages of online migration we are confident of JobStreet's prospects and ability to increase market share," said Andrew Bassat, CEO of Seek. "We also believe we can make a significant contribution to JobStreet by providing strategic support and sharing expertise across the operations." www.seek.com.au

Feds promote home-grown products

A media platform designed to promote Australian products has been launched by Senator Kim Carr, Australian Minister for Innovation, Industry, Science, and Research. The Australia Made Media will help promote and sell products made in Australia by Australians, Carr claimed.

"I firmly believe that people will buy Australian if they have a choice. This venture will give them the information they need to make that choice," he added. www.australianmade.com.au

Telecom recruiter heads Down Under

Telecoms recruitment specialist RP International has opened an office in Sydney to focus on Australia and NZ. The company now has hubs covering the Americas, Europe, the CIS, the Middle East, Africa, and Asia/Pacific, said Chris Baker, RPI's Asia/Pacific managing director. www.rpint.com



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DEAL MAKERS

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Lend Lease trials CSIRO app

Lend Lease Core Plus Fund will trial CSIRO software designed to reduce energy usage by up to 30 per cent. LLCPF will install the BuildingIQ software at four of its commercial buildings for an initial trial, explained Michael Zimmerman, CEO of BuildingIQ.

The software uses sophisticated technology to optimise the way a building's heating and air conditioning system operates, and incorporates weather updates from the Bureau of Meteorology to maximise air conditioning and energy efficiency, Zimmerman added. www.buildingiq.com

Telstra names award winners

After a six month assessment process Telstra has selected five Australian companies that will be supported by the inaugural Telstra External Research and Development Program. More than 220 submissions were assessed, said Dr Hugh Bradlow, Telstra's CTO. The successful programs are:

- Neural Diagnostics, which aims to diagnose a range of mental health issues, using Telstra to trial mobile delivery of the services outside major cities.
- Taggle Systems has developed low-cost tags that allow users to track the location and status of assets over the Internet.
- Dev-Audio has developed an intelligent microphone for use in group conversations.
- Quintessence Labs has developed a quantum cryptography technology that could be used on high-speed commercial optic fibre networks.
- LaTrobe University has devised a remote exercise regime, including monitoring, for patients with chronic obstructive pulmonary disease. www.telstra.com.au

Business Briefs

- Blue Coat Systems, a US application delivery specialist, has opened a data centre in Australia. The company has four other data centres located in the US, Europe, and Asia. www.bluecoat.com
- Office equipment provider BBC Digital has joined Canon's new Partner Channel Program. The two companies will work together to offer comprehensive managed document solutions, explained Andrew Hill, general manager of BBC Digital. www.bbcdigital.com.au

BY ASSOCIATION

Migration reform welcome

By Heather Ridout*

Ai Group believes the Federal Government's changes to the permanent skilled migration program should result in a better connect between permanent residency and addressing Australia's critical skills needs. The ICT industry is among those forecast to have continued skills shortages in the year ahead so we strongly support a scheme that is more demand-driven and responsive to the needs of business.

The changes, announced last month, include the abolition of the Migration Occupations in Demand List (MODL), which had created a bias in the scheme towards lower skilled migrants, some of whom used it as a short cut to permanent residency. It will be pared down to focus on genuine skills in demand right now. The Skilled Occupation List (SOL) will be developed by the independent body, Skills Australia. Engaging Skills Australia in the development of the Skilled Occupation List to create a targeted skills list will enable skills in need to be identified in a more flexible and timely way and with a broader workforce development approach.

These changes do not affect the 457 temporary skilled migration scheme under which many ICT workers have gained employment.

Ai Group welcomes the greater priority that will be given to employer sponsorship as a means of gaining permanent residency. The use of the Employer Nomination Scheme has increased from 29 per cent in 2007-08 to 53 per cent this year and has been especially popular with employers sponsoring the permanent migration of their current workers on 457 skilled visas.

Demand in many critical skills areas has not diminished and businesses are looking at the prospect of the re-emergence of acute skill shortages as the economy recovers. Putting a greater emphasis on a demand driven system that better matches the needs of business will help ease this pressure.

Training our own workforce is absolutely critical but in itself is not sufficient to meet our skills requirements.

While we understand the concerns of the training sector about the shorter-term impact these changes to skilled migration will have, the implications for business and the economy without these changes would be extremely damaging. It is essential that ICT skills are represented in the new Skilled Occupation List as they will be vital to supporting growth in this industry and the economy.

*Heather Ridout is chief executive of the Australian Industry Group www.aigroup.com.au

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RUST e-RESEARCH

Users reconsider pay-per-use

While customer interest in pay-per-use (PPU) pricing is not a new phenomenon, the expansion of software as a service (SaaS) offerings and the advent of cloud computing are accelerating this trend. A recent software pricing survey by IDC showed that customers want software pricing models that allow them to pay only for what they use while maintaining an even distribution of costs over time. To achieve this, vendors and customers will have to work together to redefine the software value framework.

"IDC believes that the software industry must move from a position where value is equal to the product, to a model where real value lies in the ease, intuitiveness, and seamlessness of the experience," said Amy Konary, an IDC research director. "Licensing models that provide customers with access to positive experiences must also take into account the heterogeneous nature of the customer base as well as the role of the individual in value creation. For this reason, software packaging and pricing constructs must provide a level of granularity that enables the customers to participate in the value-creation process."

To enable this type of value creation, software vendors must immerse themselves in the activities of their customers to determine what they are hoping to achieve with the software. Once the vendor understands how the customer is using its software, it will be easier to determine the metric that is most appropriate for per-use measurement. But the move toward greater granularity and flexibility in pricing presents vendors and customers with a series of challenges, including: increased complexity in the applications; the need for tools to measure use; concerns about revenue and cost impact; and the fate of the partner ecosystem based on traditional notions of value.

"As customers continue to press for more flexible licensing approaches, IDC expects that some of the predominant practices that represent the status quo in the software industry will need to break down," Konary continued. "Most existing systems, on both the customer and the vendor side, simply do not meet the requirements and complexities of a pay-per-use model."

It is not yet clear what impact usage-based pricing models will have on the economics of the software industry as a whole. In the meantime, software vendors need to focus on a series of issues to prepare the way for PPU and utility licensing options:

Aussies willing to pay for content

A growing number of Australian Internet users has indicated they would consider paying for some forms of online content, particularly movies, music, and TV shows, according to a survey conducted by online research company, Nielsen.

The survey, which polled more than 27,000 consumers in 54 countries, including 500 in Australia, examined attitudes to paying for online content. Results showed that while few consumers have paid for online content in the past, just over half (51 per cent) said they would consider paying for online movies and many also indicated they would pay for books (49 per cent) and professionally produced video, including current television shows (46 per cent).

Conversely, fewer consumers in Australia were prepared to pay for consumer-generated content, such as blogs (nine per cent), consumer-generated video (16 per cent) or social communities (14 per cent). Radio and podcasts also fared poorly in the study with fewer than one quarter of consumers (24 per cent) indicating they would consider paying for podcasts, 19 per cent saying they would consider paying for music radio, and only 11 per cent saying they would pay for news/talk radio.

When it came to news content online — perhaps the most hotly debated of any of the paid-for content model discussions — just one per cent of Australian consumers said they had previously paid for Internet-only news, and four per cent had paid for newspaper content online in the past. Asked whether they would consider paying for online newspapers or Internet-only news sources in the future, the majority said they would not (68 per cent and 78 per cent respectively).

"Australian consumers have a much higher propensity to pay for content which they know has been professionally produced such as music, movies, and games, and an overwhelming majority (74 per cent) say that paid-for content would have to be significantly better than what is currently available for free online before they would consider paying for it," observed Mark Higginson, director of analytics for Nielsen's online business in Australia "On the other hand, content which has been created by fellow consumers such as blogs or videos holds little value, in part due to the extent to which such content is readily available online for free and, as a result, we are seeing fewer instances where consumers are forking out."

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RUST eRESEARCH

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A third of Australian consumers (33 per cent) said they were willing to accept more advertisements online to support content costs, however, consumers drew the line at combining online advertising with paid-for content, with three quarters (75 per cent) saying there should be no advertising on Internet content that they have paid for. Interestingly, an overwhelming majority (75 per cent) felt that their existing off-line subscriptions to services such as newspapers, magazines, radio or television should extend to the online medium.

"Consumers' attitudes to paying for content are still quite fragmented and highlight just how discriminating Internet audiences can be when it comes to different types of content," noted Higginson. "For anyone providing online content, these are tricky times and monetisation models will have to be flexible — content providers need to look at providing more, not fewer, options to supporting the cost of their content."

Mobile broadband gains in China

China's 3G mobile broadband (MBB) connections will overtake fixed broadband connections by 2014, according to a report from Ovum. The primary drivers include growing demand for mobility, cheaper devices, and attractive pricing strategies for MBB arising from the operator's ambitious 3G growth plans.

Ovum predicted high growth rates of MBB connections over the next few years, from 30 million total connections in 2010 to 377 million in 2014. "This is a staggering 1157 per cent growth from 2010. We expect that handsets will account for 86 per cent of total connections by 2014", explained Tracey Chen, senior analyst at Ovum.

In particular, the report revealed different patterns of growth for laptop and handset connections. Laptops currently dominate connections, but handsets will increase dramatically during the next years, overtaking laptop users.

"This trend is driven by high handset penetration and operator efforts to market mobile Internet services on these handsets. However, laptop users will contribute a disproportionate share of revenue due to more lucrative pricing plans", said Chen.

Extensive municipal government investment in WiFi technology (so-called "wireless city" projects) will be a medium term threat to MBB in the low-end consumer segment, particularly for laptops, because these WiFi services are offered free of charge. Though WiFi is not allowed on handsets at this time, any relaxation can only increase the threat. In the long run, the threat posed by WiFi in the low-end market will depend on whether significant government support for WiFi is sustained.

In response, the operators offer dual mode 3G plus WiFi datacards, and have chosen a mixed 3G/WiFi strategy.

In contrast to the low-end market, Ovum analysts expect that medium to high-end consumers and enterprise customers will prefer the network coverage and information security advantages of 3G MBB.

Operators have worked with a few municipal governments to redeploy 3G networks for use in wireless city projects. This is eating into their 3G spectrum allocations, leading to accelerated

consumption of their limited spectrum resources. Spectrum management issues, particularly the allocation of further 3G spectrum, require clarification and will hold back mass deployment.

Finally, the Chinese mobile broadband market is in its early stages. In the coming years Ovum expects to see mobile broadband grow in sophistication, with more segmented pricing and packaging, national mobility coverage and wider device choices to attract different user groups.

Big money on smartbook bonanza

Forecasts are strong for increases of smartbook sales over the next five years. ABI estimates that 163 million smartbooks will ship worldwide in 2015 — a significant rate of growth given that the very first models only appeared in 2008. That is a startling figure when the analysts at ABI Research feel they still have to give definitions of the devices before explaining their forecasts.

"As ABI Research defines it, a smartbook is a low-powered device running a mobile operating system that is always connected, either via WiFi or (more often) using cellular or mobile broadband. Smartbooks can take many different shapes. They are a subset of MIDs (mobile Internet devices) and netbooks, and address the same potential users, usage, pricing, and market needs. The difference is that they don't use x86 processors," said ABI senior analyst Jeff Orr.

The first waves of devices are coming from established vendors such as Lenovo and Sharp (even Apple's iPad is technically a smartbook) and newcomers such as Always Innovating.

Technical definitions don't mean much to most consumers, however. "The idea of 'a smartbook' doesn't resonate with anybody thinking of buying such a device," says Orr. "Vendors should avoid creating a separate market category with a new name, instead accepting that they are competing in an established category."

Another very important consideration in consumer adoption of new products is price — both of devices and of the connectivity that is such an essential feature. ABI believes it will be important for vendors to bring entry-level smartbook prices to \$200 or less.

The Rust Report

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REVOLVING DOORS

Thompson to head Protegic

David Thompson has been appointed CEO of project management specialist Protegic. He joined the company early this year as general manager of sales and marketing (Rust Report, Jan 22, p8) and had previously worked for AXS-One, which is part of Unify Corp.

Thompson replaces Greg Ward, who had been based in Adelaide and decided to step down so the company's CEO could be based in Melbourne with the main hub of Protegic staff.

Howard to head Westcon in Aust

Leigh Howard has been promoted to managing director of the Australian operation of distributor Westcon Group. He has been with Westcon for 13 years, during which time he has held positions in Australia, New Zealand, and the UK.

Howard replaces Wendy O'Keefe, who has been promoted to the position of executive vice president for Asia/Pacific.

Huawei names CEO for NZ

Telecommunications network company Huawei has appointed Arthur Chao Zhang CEO of its New Zealand operation. He has been with the company since 1999 and has spent the past five years in Australia as head of service and delivery.

Upstream takes on Peter Burr

Print solutions company Upstream Australia has appointed Peter Burr executive general manager for marketing. Burr has previously held senior roles with Optus, Hutchison, and Telstra, where he was most recently general manager of channel services for Telstra Business.

Upstream has also opened a Queensland office in Brisbane headed by Scott Crosby.

Orange opens new business arm

Orange Business Services, a subsidiary of France Telecom, has opened a machine-to-machine (M2M) and real time communications division. The new operation will be headed by Malcolm Seymour, who has been involved in the industry for more than 25 years. He spent some time with CSC directing the development of wireless applications for CSC and its customers.

Koggalahewa joins Macquarie

Macquarie Hosting has appointed Dinusha Koggalahewa data centre facilities manager. He was previously with ANZ National Bank in Auckland.

Whyman heads Unisys outsourcing

Scott Whyman has been promoted to the role of vice president and general manager of Unisys outsourcing and infrastructure services for Asia/Pacific. He has spent 15 years with Unisys, most recently as general manager for Unisys Asia. He will move from Singapore to Sydney to take up his new role.

Sentonas takes regional role

Michael Sentonas has been appointed McAfee's vice president and chief technology officer for Asia/Pacific. He will be based in Sydney. Sentonas joined the company in 1999 and has been involved in sales engineering and services, software development, security consulting, and management.

Anywhere owner joins Mwave

Victor Lee has sold his interests in computer accessories distributor Anywhere and taken a stake in online retailer Mwave. He will be appointed a director of the company and will develop opportunities for Mwave in Australia.

"Online retailing is the next great frontier, full of exciting opportunities to develop and expand direct market shares," Lee explained.

Several other Anywhere staff have moved to Mwave, including general manager Patrick Managreve, sales manager Kaine Dennehy, and marketing manager Steve Grant.

Around the Traps

- Leon Milford has been appointed interim chairman of Digislide Holdings following the recent resignation of Ian Mutton (Rust Report, Mar 5, p8). Milford has been on Digislide's board since 2008.

- A board appointment that we missed while on our Christmas break was Fiona Balfour becoming a director of outsourced business services provider Salmat. She is well known around the ICT industry following terms as CIO of Qantas then of Telstra.

- Paul McKeon has joined Intel for a one-year term as public relations manager. He replaces Anna Torres, who is on maternity leave. McKeon has worked for IBM and Dell, but was more recently in the legal sector with Norton Rose, which merged with Deacons last year.

- John Pellew has been appointed CEO of Telcoinbox's UK business. An Australian, he joined the company in October 2009.