

4/13/07- Bill Narin interview

A few days ago, I had the opportunity to talk with Bill Narin, the newly appointed Executive Director of the IPSL SIG. Here are some of his comments.

Part 1

Ticktock: Bill, share with the ticktockstock.com readers some of your background.

My career has always been in the intellectual property (IP) industry. My interest in the area led me to attend the Sloan School of Business at MIT. I've worked for IBM, Tandem Computers and Chorus. My primary experience has been in software licensing. I've worked on deals with Lucent (then part of AT&T) Northern Telecom and later Virata.

About 10 or 15 years ago I started working exclusively in the startup space, primarily in telecommunications. Virata was the second startup I helped establish. They were an early entrant into the DSL space. They were very similar to Rim Semiconductor in that they had a terrific technology.

In my role as VP of Business Development, I was the principal contact for all their very profitable licensing deals in North America. Because of our position in the industry, we were selected as the solution for virtually all of the first generation broadband DSL modems. Virata gained an 80% market share in the US the first couple of years of the DSL industry. I worked with virtually all the major suppliers of broadband modems and line cards.

Ticktock: How did you come to work with Rim Semiconductor?

I have been around Rim Semi for a while. Tom Cooper and I have remained close since our Virata days, and I have consulted on and off for Brad. Recently, I have been focused on these goals:

1. Capture the market as quickly as possible
2. Have deeper penetration
3. Have much broader market adoption than what the company could achieve as a proprietary solution.

Since my specialty is technology strategy, particularly in telecommunications and telecommunications distribution, these tasks are right up my alley.

Ticktock: Bill, talk about a few of the challenges Rim Semiconductor faces in commercializing the IPSL technology.

Rim Semiconductor, as a fables semiconductor company, could certainly pursue the option of making its own chips and selling directly. Of course, they are right now aggressively doing this.

However, though Rim Semiconductor has a terrific technology and early customers, large sales channels are required to maximize the commercial value of the IP. To create an expansive sales organization, Rim Semiconductor needs to reach out to others. This is a way to do that. On one hand you have terrific partners and on the other, some terrific core technology. Together they create a match made in heaven.

The most relevant example is probably Qualcomm. Qualcomm could have stayed in the business of simply commercializing its intellectual property within homegrown chips. However, there was a much greater opportunity created when the technology was made available for all industry players to incorporate into their products.

Not only does Qualcomm get licensing revenue, but it also sells a lot more of their own chips. Rim Semiconductor is pursuing a similar strategy. In making the decision to follow the Qualcomm model, Brad was very forward thinking and has set up Rim Semiconductor's technology for rapid uptake in the marketplace.

Ticktock: Bill, how do you think consumers will respond to the introduction of IPSL-based technology?

One of the reasons I'm so excited about IPSL is that, unlike the early days of DSL, much of the consumer education process will be unnecessary. When DSL was introduced, the telecom industry and the consumer required education on what DSL was, why it had an advantage, the fact DSL provided an "always on" connection and how it would change the way we used internet. Two or three years passed before consumers gained some comfort with the process.

With IPSL, we don't have any of these concerns. IPSL is a sort of second wave of DSL. I compare IPSL to the sequel of an original movie. Once we prove the technology works in the field, the only new learning point is: The same telco that provided you voice, will now provide you with video... the highest quality video in the market place.

I believe people will go through a short learning curve. Winning customers to IPSL will be much simpler than winning customers to DSL. DSL has already paved the way. Customers will only have to realize they can get their video signal over their copper line. Because of the cost savings, compared to cable, they will readily sign up for the new service. Once we demonstrate the increased capability of the technology, I believe the shift in consumer demand is going to take place very fast and not over a few years as it did with the introduction of DSL technology.

Ticktock: What are the necessary steps for a new company like Rim Semi to gain worldwide acceptance of it product?

That's a big question and a big job for Rim Semi. As a small fabless semiconductor company, even with a fabulous technology it is often difficult to have the credibility needed for big telcos and

big equipment manufacturers to bet on your performance. Therefore, Rim Semi has to do a number of things, and do them well.

First, they must create a very far reaching sales channel. The recipe of having a great technology coupled with relying on others to help take that technology to market has proven to be success formula in many industries. And it will work for Rim Semiconductor. That's actually part of the rationale behind Rim Semi's decision to look at a licensing program. In that model their intellectual property is made available to other firms to incorporate into their products. As an extension of that idea of getting very broad marketing exposure, Rim Semi has decided to form a Special Interest Group (SIG). It could be a terrific accelerator of technology adoption by the industry.