Born Mobile

By Jan-Eric Öhman

“What’s that? WAP? Something wireless? Something you use to get the Internet on your cell phone? Sorry, gentlemen, but I think you should try some other company. I don’t want to be impolite, but …”

That’s what the three young fellows would hear when they called on potential investors, venture capital companies and institutions as they tried to raise funds for their new company. However, a few private individuals were finally willing to invest, and they put up a total of SEK 5 million (about USD 575,000). That was in the late summer of 1998, not quite two years ago.

Well, WAP (Wireless Application Protocol) is well-known today, and the company founded by the three fellows is Aspiro. They no longer have to beg for capital. Now, eager investors are lining up – and the line is a long one.

“We have no shortage of money today,” says Jörgen Adolfsson, managing director of Aspiro. “But at the same time, we continually evaluate possibilities for additionally strengthening our position on the market. We see an enormous potential, and this should mean additional stock issues.”

Today, Aspiro is one of the Swedish companies getting most attention in new technology in general and in wireless Internet in particular. The company’s shares, traded on the unofficial list of the Stockholm stock market, give the firm a value of between 4 and 5 billion kronor – or about USD 500 million.

Although Aspiro was created in 1998, its story goes back to 1995, when the three founders, Jörgen Adolfsson, Christer Månsson and Klas Hallqvist were working for Europolitan, one of Sweden’s three largest mobile phone operators, partly owned by Vodafone. Several years later, Jörgen Adolfsson and Christer Månsson moved to Oslo, where they worked for Telenor Mobil’s division for Value-Creating Services. It was here that they perceived the changes that WAP would mean for mobile communications.

“It was also then that we saw how large companies had difficulties in accepting and utilizing new ideas that were outside of their normal business track,” says Mr. Adolfsson.

So, instead, they started their own company. The two “Norwegians” contacted their old colleague Klas Hallqvist, who had remained in Sweden as head of quality at Europolitan.

After the start, the three founders didn’t waste time worrying about management models nor do they have deep philosophical discussions on what explains their success. They do have company reports, of course, but what one reads between the lines can be summed up in two words: ad hoc.

“Christer and I wanted to live in Malmö, in south Sweden, so we opened an office there,” Mr. Adolfsson explains. “Klas preferred to live in Karlskrona, about 200 km

Thinking mobile is to adopt a new behavior pattern, Jörgen Adolfsson says. “Born mobile” means a small screen, tiny keys, limited broadband and a life on the move. In this environment, mobile services and applications must function.
northeast of Malmö, so it was natural that we opened an office there, too.

“If we have tried to live up to some kind of corporate slogan, it is that — from the very start — we always acted as if we were larger than we really are, and that we always do things, not just talk about them.”

It was on this foundation that Aspiro was created.

But Mr. Adolfsson adds something important: “Aspiro was born mobile.”

This is the company’s own USP – unique selling point – and it’s foremost. Thinking mobile is to put yourself into a new behavioral pattern, says Mr. Adolfsson. A PC is easier to work with. It is often linked to ISDN or other fast connections, it has a large screen, color, a finger-friendly keyboard, and the user is sitting down, with a cup of coffee or glass of wine in easy reach.

“Born mobile” means entirely different conditions: a small screen, small keypad and tiny keys, limited bandwidth, and a life on the move. It’s in this environment that mobile services and all applications have to work.

Mr. Adolfsson explains:

“We work with all mobile applications, that is to say, with software that contains logic. If we were in the PC world, our applications could be compared with products such as Microsoft Word, Excel, Powerpoint and Outlook. But remember that entirely different applications are required in a mobile environment. They must be developed for fast, brief user sessions, or a maximum of ‘three clicks away’. Contents are supplied by various cooperation partners. Aspiro sees to it that the technology functions. Therefore the company is exactly that, an Enabler.”

Aspiro currently has 120 employees. Beside Malmö and Karlskrona, it has offices in Stockholm, Oslo, Luxembourg, Boston and San Francisco. It has acquired a number of companies and formed alliances and cooperative projects with Ericsson and Hewlett-Packard, to name two of the largest partners. It is running at high speed in product development and in sales.

The world market?

Not yet. Great visions of tremendous expansion appeared in the summer of 1999, when the entire mobile industry started to talk of WAP. That year would be the year of the technology’s major breakthrough.

“We’ll perhaps have to push marketing forecasts ahead for three or four months,” says Mr. Adolfsson. “One of the reasons is the shortage of new phones, even though manufacturers at the Cebit Fair in Hanover early this year said production was underway.”

The breakthrough for WAP in the USA will apparently be delayed and won’t break through for another year. The new technology is slower to get established there because of less-developed systems and the variety of networks and standards. According to Mr. Adolfsson, the USA is between 12 to 18 months behind Europe and the Continent’s common GSM system.

Aspiro’s customers of today and the future are the mobile portal owners (mainly telecom operators), mobile organizations (such as large companies with many salespeople), and content providers (for example, network brokers and games companies). Income will be from license sales and transactions based on how often and how long customers use Aspiro’s services.

The largest customer group will be telecom operators. They are the largest and on the way to also be “the most beautiful”.

“And it’s here we feel most at home,” says Mr. Adolfsson.

He is 33 years old by the calender, being born in 1967, but only two years old after being “born mobile”.

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ASPIRO FACTS

The three founders own 13 percent of share capital. Other major shareholders are Länsförsäkringar Insurance Co., Banco Fonder (mutual funds), Svenska Handelsbanken, and Latour (investment company controlled by the Douglas family).

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