



15.905 Technology Strategy

Technology and Strategy

Danger, Inc.
Michael A M Davies



Three key questions

- Who are the most attractive potential partners to design and manufacture devices for Danger?
- Who amongst the worlds' many mobile network operators, and where and when, should Danger be targeting to create mobile data services based on its platform?
- How can Danger develop trust and collaborate effectively with prospective partners who are also in fierce competition with each other?



Combining a 'nano-PDA' with data connectivity

An 'end-to-end solution'

Our first customer...

So, we make money three ways...



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Three key elements to the technical architecture

hiptop Service Delivery Engine

A suite of server-based infrastructure software hosted as a service for wireless operators

Enables operators to quickly and economically deploy new applications

Built to leverage the capabilities of next-generation data devices

Features include:

- reporting, billing, customer care
- content conversion/compression
- wireless synchronization
- content and app vending
- carrier-grade reliability and scalability

hiptop Development Platform

Development platform features hiptop Operating System (PTOS)

Enables third-party app developers to use standard development tools

Complete set of APIs included

Integrated download management system to enable carriers to offer after-market premium services and content

hiptop Device Designs

Designs offered to carriers with a set of features and applications that can be further customized

Enables user customization including preferences and alerts

Apps currently included:

- mobile phone
- email (with attachments)
- instant messaging
- web browsing
- calendar, address book, notes
- snapshot gallery for photos
- games
- web portal
- camera (very low resolution)





Sidekick II

- Marketed through T-Mobile
- Manufactured by Sharp
- Can be managed remotely by any web-enabled computer
- Catalog with downloadable ringtones, games and apps

Targeted at youth demographic

- Consumer positioning as 18-35 year-olds; device is “all about fun and getting more from life with spontaneous communications”
 - *“If you look at the enterprise market, it’s clear that the consume market is several orders of magnitude larger.”* - Danger’s CEO, Hank Nothhaft
- Sidekick users send and receive 20-40 times more messages than the average user
- 1% of US mobile users generated 6% of total US messaging traffic in Q4 2004
- Client-server technology enables superior user experience and efficient, optimized use of the packet networks
- Requires less expensive hardware, so lower subsidies
- “Over the Air” upgrades allow operators to offer compelling new apps to subscribers



Danger, Inc, in 2003

- June - launches color T-Mobile Sidekick
- August - launches Fido hiptop with Microcell in Canada
- September - license agreement with Sun Microsystems for Java
- November - launches with E-plus in Germany



Danger, Inc. in 2004

- May - launches with ONE in Austria
- May - launches with Starhub in Singapore
- July - \$37 million Series D
- July - partnership with Sharp to develop, manufacture and distribute hiptop devices
- August - launches hiptop^{TM2} with T-Mobile as Sidekick II
- December - adds Jamaica



Danger, Inc. in 2005

- February - platform becomes Java® compatible
- May - launches hiptop™2 with KPN in The Netherlands
- June - launches Sidekick II with T-Mobile in Germany
- November - launches Sidekick II with T-Mobile in United Kingdom

- (and founders who have gone to Android, snapped up by Google – watch this space...)



Danger, Inc. in 2006

- February - adds soccer content in Germany
- April - joins MSN Developer Program to be able to deploy MSN Messenger
- June - launches T-Mobile Sidekick 3, developed with Sharp
- October - launches with Telstra in Australia

2007 and 2008

- Apple announces iPhone in partnership with Cingular
- Microsoft announces Windows Mobile 6
- T-Mobile announces partnership with Nokia to bring Series 60 to “mainstream consumer markets”

- 20 December 2007 files for IPO
 - highly dependent on T-Mobile
 - revenues ~\$56 million, losses ~\$12 million

- And in February 2008, Microsoft buys Danger for about \$500 million



What will Microsoft do with Danger, Inc.?

What did Steve Ballmer say?

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15.965 Technology Strategy for System Design and Management
Spring 2009

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