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Managing a mobile jungle

Software firm adding 200 jobs to help it track phones, tablets

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An Atlanta software company, backed by the founder of **Manhattan Associates Inc.**, plans to add about 200 jobs as it rides the tsunami of mobile devices cascading into the workplace.

AirWatch LLC helps corporate behemoths, such as **The Home Depot Inc.**, manage their fleet of cell phones, tablet computers and other mobile devices. Employees are doing more work on mobile devices — accessing confidential documents, sending business e-mail. AirWatch's software can remotely enable and disable applications, securely connect mobile devices to a company's IT infrastructure, and wipe out data if the device is lost or stolen.

Managing, monitoring and securing those devices has become one of the top three challenges for chief information officers, AirWatch CEO and founder John Marshall said.

"It's absolutely a critical problem," he said.

The worldwide mobile device management [MDM] enterprise market grew by 1.7 percent from 2008 to 2009, reaching \$265.3 million in revenue, according to IDC. The research firm predicts the market will hit \$382.7 million in revenue by 2014.

Globally, the mobile device management market is anticipated to grow at 15 percent to 20 percent annually over the next couple of years, said Phillip Redman, research vice president at Gartner Research.

"Companies are concerned about data security and



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Monitors: Alan Dabbieri, founder of Manhattan Associates, and CEO John Marshall, think they have a winner in AirWatch LLC.

how to support multiple devices across thousands of employees," Redman said.

"Businesses are increasingly adopting mobile technologies, creating a need for mobile device management support," said Greg Girard, analyst at IDC.

In today's business, "analysis, insight and the

ability to act needs to be available to anyone, anytime, anywhere,” Girard said. “These [mobile] devices enable that.”

The escalating number of mobile devices and operating systems makes managing enterprise mobility complex, AirWatch Chairman Alan Dabbiere said. Dabbiere, who invested \$15 million in AirWatch, founded logistics technology firm Manhattan Associates (Nasdaq: MANH).

Dabbiere recalls an incident where an executive left his iPad in an aircraft. The iPad was connected to the company’s corporate e-mail network, but had no security, meaning anyone who picked up the device could read confidential e-mail.

“Enterprise mobility is death by a thousand cuts,” Dabbiere said, noting each device must be configured, have software deployed, secured and managed.

AirWatch will more than triple its Atlanta office to about 50,000 square feet in the next few months. The company plans to double its workforce, adding software developers, data center engineers and sales and marketing staff.

Robust demand has attracted competition, putting pressure on pricing.

“There are probably a hundred providers that [offer] different components of MDM,” Redman said, adding that about 25 companies offer comprehensive solutions.

Creating differentiation in a crowded marketplace will be key to AirWatch’s success, as will staying ahead of evolving technology, IDC’s Girard said. AirWatch is among the largest — and best positioned — in the mobile device management business, he said.

“They’ve got a great [product portfolio], they’ve got some marquee customers,” Girard said.

AirWatch’s growth strategy hinges on selling into new industries and geographic markets — about 70 percent of revenues come from North America.

While health-care, financial and retail sectors have been quick to adopt mobile device management software, new sectors include accounting and legal professions. The government is also a growth market, as it deploys new mobile technology in an effort to streamline and reduce spending. The military, for instance, is considering equipping soldiers with smart phones for use in the battlefield and for training.

“We are at the table in those discussions,” Marshall said.

In addition to Fortune 500 customers, AirWatch sells its software to wireless carriers, system integrators and application developers, who offer it to their clients as a service. “The [partners] have the ability to take us into the huge markets and regions that we would not have

AirWatch LLC

Background: Atlanta-based company develops software that helps businesses manage, monitor and secure employee cell phones, tablet computers and other mobile devices.

In the news: AirWatch plans to add about 200 jobs and expand its Atlanta office space.

Employees: About 200

2011 projected revenues: Up to \$30 million

otherwise gone, given the size of the sales force we have,” Marshall said.

To fuel growth, AirWatch anticipates making acquisitions. The company would consider “smaller tuck-in technologies we think are interesting that we can’t, or it doesn’t make sense, for us to develop ourselves,” Dabbiere said.

Redman views AirWatch more as takeover target. AirWatch could be attractive to a device manufacturer or wireless carrier looking to enter the mobile device management business, he said.

Like many small companies, managing growth is AirWatch biggest challenge.

“How do we scale? How do we find the right people and resources? How do we market on a global basis?” Dabbiere said.

Staying ahead of evolving operating systems and handsets is challenging, too.

“It’s an arms race of innovation,” Marshall said.