

Intrinsyc lands its first major OS licensing deal

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Event Summary

- Mobile OS newcomer Intrinsyc Software has announced its first publicly disclosed mobile original design manufacturer (ODM) deal, with major mobile device manufacturer Wistron, which will look to build a multi-use mobile platform for its devices.
- More specifically, Wistron will license Intrinsyc's newly released mobile OS, Soleus, a platform based on the kernel of Microsoft's Windows CE operating system. Soleus is targeted specifically at mid-tier feature phones.
- Wistron will use Soleus to launch a number of mid-tier mobile phones that will be white labeled from its end and branded by its customers, some of which may turn out to be large retailers – such as Wal-Mart, for example.

The 451 take

Intrinsyc may be very nicely placed to make a real move in the mid-tier market. We are interested in seeing if Motorola makes the effort to port some of the features found in its newly released enterprise-, BlackBerry-, and Treo-targeted Windows Mobile-based Motorola Q smartphone (we confess we are impressed by the Q). Intrinsyc claims that as much as 90% of the Q software platform can easily be ported 'down' to an Intrinsyc Soleus-based mid-tier phone without the need to recode. The Wistron deal is key to establishing a reference design that Wistron can use to develop and sell a great many white-label phones (picture for example, a Wal-Mart phone). But a Motorola port to a mid-tier phone would seal the deal.

Details

The ODM deal with **Wistron** is perhaps a bit of an anticlimax in that we've long known of the strong relationship between the two companies, including a series of joint marketing efforts going back to the 3GSM conference held in Q1 2006 in Barcelona, Spain. The official announcement brings **Intrinsyc Software** and the Soleus platform a major step closer to being a legitimate player in the mobile OS space. Intrinsyc is working with other mobile ODMs and OEMs, and we anticipate further deals being announced over the next several months.

The first mobile devices to be based on Soleus through these licensing agreements should see the light of day right around the 2006 holiday buying season. There is pent-up demand in the marketplace from retailers – Wal-Mart being the easiest example – to be able to offer their own branded phones. Feature phones – along with their related pricing models – are a natural fit for this sort of sales effort. Intrinsic fits right into the game plan as the platform will allow Wistron to develop a series of phones, based on a single platform, that can still be easily differentiated for different customers. If Wistron and other licensees can pull this off, it will give Intrinsic some very strong reference customers as the market moves into 2007. Meanwhile, we'll look for some possible **Microsoft**-related marketing efforts as well.

Competitive landscape

The collection of vendors here remains mostly the same – Microsoft, **Symbian** and **MontaVista Software** are on the high-end smartphone side of things. **Wind River Systems** may also look to compete here through a Linux implementation. The biggest news on the OS front as of late is that **Motorola's** snazzy new enterprise-level Q phone is a Windows Mobile 5.0 device – which makes for some very interesting Intrinsic possibilities down the road (in terms of porting features down to mid-tier phones). Savage continues to hold up the Java-based side of things in the mid-tier market that Intrinsic directly plays in, alongside Symbian's efforts to scale down into this market. Meanwhile, we'll be covering a completely new mobile Linux player next Monday as it comes out of stealth mode. Also announced today (see the related analyst note) is yet another new Linux/open source initiative announced by yet another OS consortium – but more on this effort in the near future.

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