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Venture Capital outlook for mobile computing in 2011 is bright. May 2011 saw the biggest IPO activity in two years. San Francisco real estate rent is up 20%. Mobile Internet computing is a huge topic; [KPCB's](#) Mary Meeker says it is the fifth technology wave and will surpass PCs soon. Mobile sector represents one of the hottest startup markets on the planet. Many Asian VCs are moving to the West, driven by Android.

Mobility is taking off because of monetization. In the early days of the Internet (1994-1996) there were no monetization platforms, but companies like Amazon and eBay believed in, or maybe created, the future, invested heavily in infrastructure, and have been rewarded accordingly. Mobile industry has moved to cloud and we now have NaaS (network as a service), DaaS (device), and AaaS (application)—every application is web-driven and needs business analytics. iPhone and Android have become *de facto* standards; Nokia and RIM are challenged; Windows 7 is a wild card; and HP's webOS is DOA in the consumer space, despite HP's commitment and promises to keep it alive. Ericsson has entirely moved to Android for its employees, according to one observer.

Mobile payment systems Internet players are threatening traditional credit-card vendors who are trying to preserve their market. The carriers control the toll booth to mobile payments in the U. S. Mobile health is big, but is still in very early stages. KPCB's John Doerr says the future is MoSoLo—mobile, social, location. This is not just location-based, but also context-aware. Global Positioning Systems in most cellphones have 500-foot accuracy, so there is no point in offering a customer an on-the-spot \$5 Starbucks coupon if she is walking past a McDonald's! [Payfone](#), [Snapfinger](#), and [Square](#) are interesting vendors in the mobile-payment space. With all the industry analysts, VCs and vendors' hype, are we in a mobile frothy period? Yes, if not a bubble. "You don't find gray hair folks in these startups," said one VC. But let's not forget Google was like that too, once. Then they brought in adult supervision with Eric Schmidt, Vint Cerf, Larry Brilliant *et al.*

Corporate VCs are taking charge in the mobile space. As mobile companies plan their fundraising strategies, corporate VCs can play a big role in helping them meet their objectives. [Motorola Mobility Ventures](#) (Sunnyvale, CA) is focusing on convergence of mobile and cloud computing. [Samsung Ventures](#) (San Jose, CA) has \$600 million fund investing in media streaming and cloud storage. [SK Telecom Ventures](#) (Palo Alto, CA), with a dedicated \$100 million VC fund, invests in two types of funds: one under \$2 million, and the other between \$2 million and \$5 million. [Qualcomm Ventures](#), established 11 years ago, has a \$500 million fund and a portfolio of 45 companies.

Partnering with the telco service giants will be crucial to startups as Internet behemoths enter the carrier space; e. g., Google's pending acquisition of Nortel's patents. Most innovation-driven private companies can benefit from creating early partnerships with big telecom companies. AT&T Foundry opened an innovation center in Plano, Texas, in May 2011 hosted by Alcatel-Lucent; a second one in [Israel](#) today (June 15); and a third one, hosted by Ericsson, is opening in Palo Alto in September. [DoCoMo Capital](#) (Palo Alto) has a \$100 million fund and 19 portfolio companies.

Enterprises have to get 'unwired' and mobile analytics will be the next killer app. "Can I do a *what-if* analysis on my mobile device without getting online?" Forty-five percent of enterprises will deploy mobile apps by YE2011; 58% expect up to four different mobile operating systems in their enterprises; 74% of U. S. retailers are planning for m-commerce; and mobile shopping will reach \$119 billion by 2015.

IT has to accept consumerization and not dictate what device a new hire brings into the enterprise: A new employee comes on board, registers her device with IT, IT provides her access to all IT-approved apps, and

she gets down to work. When she leaves the company, all company-approved apps and associated data are deleted and her access to corporate network is discontinued.

Tablet and phone apps will revolutionize the enterprise. It is projected that more smartphones will be shipped in 2012 than PCs, and by 2014 there will be more mobile Internet users than PC Internet users. A new class of mobile enterprise application companies is coming on stream to take advantage of these trends. There was a lot of discussion about a *post-PC* world. We believe the news of the death of the PCs is highly exaggerated. IDC [forecasts](#) worldwide PC shipments to grow from 361.6 million in 2011 to 541.5 million in 2015.