

**Dow Jones Venturewire Micro Ventures
The Fairmont
San Jose, CA
November 28-29, 2006**

The VentureWire events are interesting venues where Dow Jones invites startups to do their company pitches, usually looking for venture funding. More interesting aspects of these events are the keynotes and panel sessions by industry leaders and visionaries.

We found two of them to be especially interesting.

Sumit Sadana, CTO and Senior VP, Freescale

Freescale went IPO at \$13, today it is ~\$40. Growth in chip sales is changing from mid-teens to high single digits. The semiconductor sector is a \$300 billion-a-year industry. The industry is getting better at correcting self-inflicted wounds. As manufacturers consolidate, capacity will be balanced. Freescale has made significant investments in software—1,000 engineers working on wireless, etc. You need a minimum of \$500 million annual R&D. Freescale is investing heavily in wireless, fiber, and IP infrastructure. The next big front is home entertainment. Outlook for 2007: slowing down of US economy, but semiconductor industry will still see a high single-digit growth because of growth in automotive and cell-phone industries.

Behrooz Abidi, Senior VP and GM, Qualcomm

Qualcomm has shipped 200 million chipsets so far. In the not-too-distant future, Qualcomm's biggest competitor could be Intel. Wideband CDMA phone prices have dropped significantly in the last two years. North America is heavily BREW; Europe is Windows Mobile; and China is Linux. IP Multimedia Subsystem (IMS) will enable wireless videoconferencing. Wireless vendors should focus on power, form factor, content, and services. Operators and carriers don't know how to make money on services. GPS should be free and could be ad-based. Imagine your calendar synching with your car navigation system and your phone. Bluetooth chipset started at \$15 apiece, now it is \$2. Qualcomm's goal is to drive it down to 30¢. You'll see a drive down in prices in UWB, broadcast, wireless, and multimedia. Make hardware free, make money on software. (Sun, are you listening?) GSM is migrating to UMTS; CDMA is migrating to EVDO.