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INNOVATION REPORT
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THE VOICE OF NEW ENGLAND INNOVATION

GREG RAIZ, FOUNDER OF RAIZLABS, IS AMONG THOSE MOVING THEIR MOBILE MODEL TO PLATFORM TECHNOLOGIES.

STUART GARFIELD

MOBILE'S LOOKING UP

REGIONAL MOBILE INDUSTRY GROWING FROM APP SHOPS TO PLATFORM DEVELOPERS — AND MORE

BY RODNEY BROWN | MASS HIGH TECH STAFF

Boston has a strong base of mobile application development companies, but until recently the space seemed to be filled mostly with two-person to 20-person shops cranking out iPhone apps as fast as they could. Activity by a number of local companies in the past couple of months, however, has shown that the mobile app space in New England is leaving its childhood behind and heading into the potentially awkward teenage period of hookups and experimentation.

Application developers are becoming platform providers, platform providers are adding security elements, neighbors are merging — even traditional Internet giants such as Akamai Technologies Inc. are making public their plans for a strong push into mobile.

All of that activity is good for Boston, according to **Carl Stjernfeldt**, general partner at Waltham venture capital firm Castile Ventures.

"The mobile space in general is good for Boston because it is hard for the development of good apps unless you have a good understanding of the underlying infrastructure," he said. "Boston is a mobile development hotspot, and these kinds of companies further cement that. You need a broad base of mobile and app knowledge in order to build these foundational platforms."

One such company is Pyxis Mobile Inc. of Waltham, arguably the first company locally to move from an app development shop to a platform play, with a product that allows enterprise customers to develop mobile apps on their own. According to CEO **Steve Levy**, Pyxis has solved one of the biggest problems that keeps mobile apps from becoming the default tool for big enterprise — mobile security.

Earlier this month, Pyxis announced it was teaming up with Good Technology Inc., a California company that provides a secure communications channel for mobile applications and counts among its customers Department of Defense contractors and Wall Street banks.

"We realized right away that a bunch of customers would want to build mobile apps in the secure channel," Levy said. To that end, the Good Dynamics product from Good Technology is now built right in to the Pyxis development platform.

"The people building the mobile app, the only thing they need to do is check a box, and everything they do will run through that Good Technology secure channel," Levy said.

Levy nixed the idea that easily adding security to a mobile app was the "killer app" for enterprise mobile growth, saying that the space is made up of a number of components, and that no single player has all of them.

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Growing data-security sector hopes adoption won't require a 'Pearl Harbor' moment.
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Some local campuses embracing tech faster than others.
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'STARTUP IN A STARTUP'

One of the newest other components in that play is coming from Raizlabs Corp. in Cambridge. Founder **Greg Raiz** recently rolled out a new platform that enables customers to test and deploy new apps they have developed, and then manage those apps once they are in the field. The new offering, called AppBlade, is offered under a software-as-a-service model at AppBlade.com.

Around November 2010, Raizlabs developed the delivery platform to make it easier to get products to its customers for alpha and beta testing, and then to manage those apps through the testing period with updates as needed and control the use of them, right down to locking out a particular device. That was to simplify their own more-complex process testing and delivery process, Raiz said, but the end customers saw how well this internal tool worked and started clamoring to get their own hands on it.

"Any company can come to AppBlade today, sign up for an account, and use it for their own development and deployment," Raiz said. Those companies could be other app developers or enterprise customers that are developing their own mobile applications.

AppBlade is being run as a "startup in a startup," Raiz said, and if it gets the kind of traction he hopes for, it could be spun out as a separate company. "When it comes to enterprise customers, I really see a huge opportunity."

Also seeing a huge opportunity in the mobile sector is new entrant Mobiquity Inc., which is on an M&A tear. The Wellesley-based, mobile-focused professional services firm just launched in March and has already gobbled up a pair of New England companies. First up was Cronk Software of Rhode Island, which brought **Joel Evans**, former CEO of Cronk, into the fold as Mobiquity's vice president of application development. Then just last month Mobiquity bought Cambridge mobile development shop KMDM. That brought all KMDM employees into Mobiquity, including KMDM's CEO, **David Micalizzi**, who is now vice president of client services for Mobiquity.

At the time, Mobiquity CEO **Bill Seibel** said in a release that analysts claim "mobile computing will create a bigger and more

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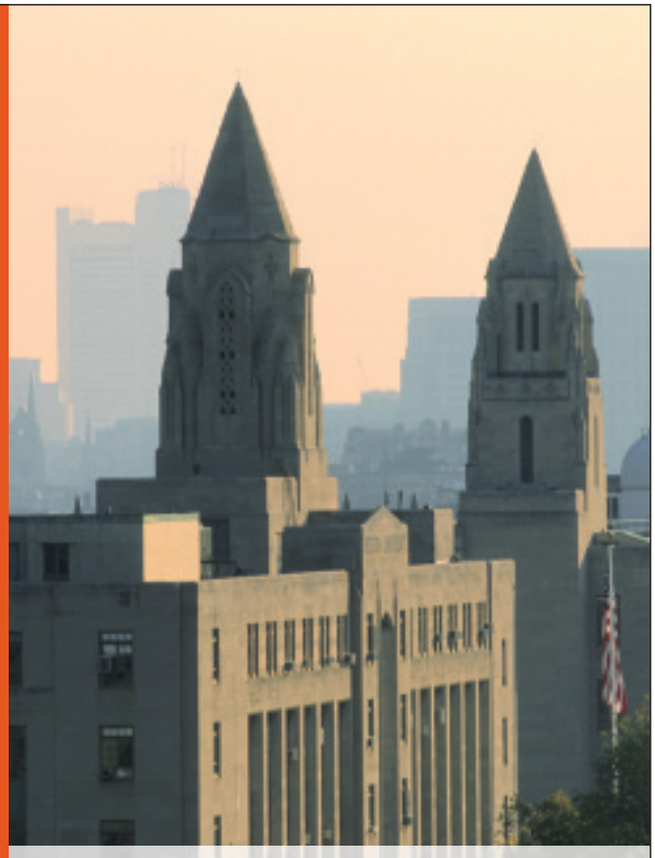

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profitable impact on businesses than the Internet."

The mobile industry in Massachusetts is already sizable. According to the Mass High Tech New England Technology Directory, the region is home to more than 300 mobile technology companies. A report in May by the Massachusetts Technology Leadership Council pegged the mobile industry and related companies at closer to 400, with approximately 30,000 workers.

Despite New England's growth and mobile dominance, New York has also proven to be a strong growth market — and when Akamai sought a mobile partner, that's where it headed. Netbiscuits is a New York City company that makes a platform incorporating development, deployment and monetization of enterprise mobile apps. Under the agreement, customers can develop and deploy mobile apps that are hosted through Netbiscuits' SaaS platform and delivered over Akamai's enhanced Intelligent Platform for speeding content to any end device, which it also announced the same day as the Netbiscuits deal.

Having a platform makes deals with giants such as Akamai more likely. That graduation — from being a cluster of small app shops to mobile-platform businesses — is necessary as the industry matures, Castile's Stjernfeldt said, adding: "It's a hell of a lot easier to make good sausages if you don't have to rebuild the factory every time."

"It's a hell of a lot easier to make good sausages if you don't have to rebuild the factory every time." **— CARL STJERNFELDT** | CASTILE VENTURES

Raiz agreed, saying that it was the app developers themselves that drove this maturation.

"The first wave of mobile applications was destined for the app store and was consumer facing," he said. "And this second wave, for the developers, is 'How do we streamline this process?'"

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