

The World According to Palm

Palm organizers continue to infiltrate the mobile corporate space, giving roving executives, traveling sales forces and off-site technicians a true edge to how they work. As 3Com decided to spin off the Palm Computing division into its own subsidiary, senior editor Joni Blecher caught up with Palm Computing's new president, Alan Kessler, to discuss the direction of the company as well as Palm's appeal to IT managers.

What do you attribute Palm's success to?

The No. 1 factor is that we focus on what our customers wanted to do and not on technology for technology's sake. We have this concept that we call the Zen of Palm. This drives a lot of what we do in terms of how to put the right amount of capabilities, features and solutions in the palm of someone's hand to help them make their life easier and more productive. That's really what it's all about.

How is Palm different from CE devices?

The biggest difference overall is that we have a great user experience and CE doesn't. They have the bigger form factor, shorter battery life and a user interface that customers don't like. We're not using a PC mentality, which is [to] build something and cram it with as many features as you can. That mentality drove the folks in the early marketplace on the CE platform. That is the antithesis of what drove Palm. Palm said, "Put the least features in, meet the customer requirements, add features over time, and do it using the most reliable technology."

What can Palm offer IT managers that CE can't?

Some of the things we can provide are the broadest support in the industry for applications and platforms and the largest number of software solutions that are available. We can also provide a solution that yields the lowest cost of ownership, which is critical. One of the neat things about the Palm is that it provides more of an application-focused solution. This allows the information officer to have more of a shrink-wrapped solution that they can deliver to their users. That's going to lower the cost of ownership and make their life a lot better.

The other important thing to realize is that enterprises don't just use one vendor. They have enterprise resource programs that run on Oracle or SAP or PeopleSoft. They don't just use one computing platform. So one of the other advantages is that we are a safe choice and we have application part-

ners who are committed to us. When you're a CIO and you're going to put SAP transactions on a handheld, you don't want to do that unless SAP says, "Yep, we support it. We do it, we're committed, we have a good relationship with Palm, we can support you." I call this the single belly-button phenomenon: CIOs want to be safe and say look at a single belly button and make it work. That's another advantage we can bring to the table with our partners.

What was the decision behind the Palm V's form factor?

That actually hasn't been much of an issue on the radar screen as to what our customers have shared with us. The Palm V was brought to market to address a variety of things. The V was the next-generation product. We used some advanced technology, yet we used it because it yielded a better customer experience. It's obviously a very elegant design, it's smaller, it has a higher-quality screen, and it has new battery technology.

Why is wireless included in the Palm VII?

Well, because the world is becoming untethered. The Palm VII is an opportunity to put the best of the

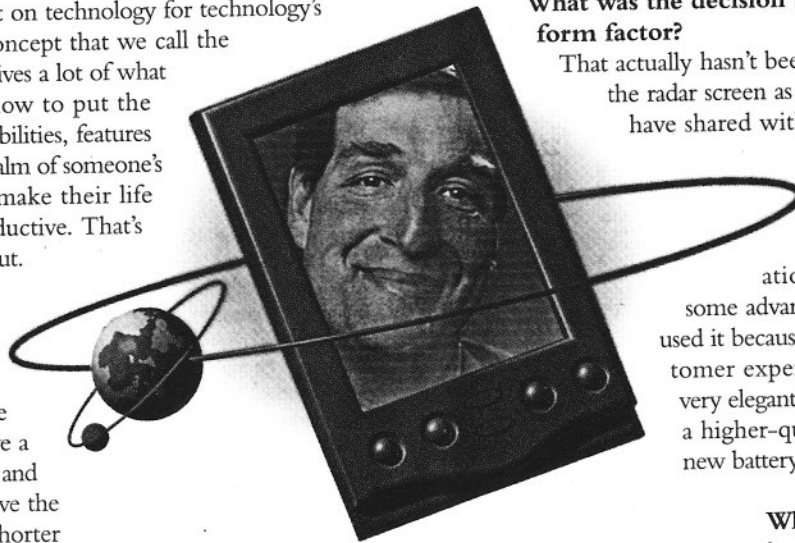
Internet in the palm of your hand. Quite frankly, we think that our customers will value that. We've always innovated, and the Palm VII is a unique leadership innovative solution. We want our customers to continue to look at us to innovate and to provide unique solutions.

What is driving the untethered world?

The Internet is the focus, but convenience and the proliferation of cellular technology and cell phones is also really part of it. Those are the factors. We want to be there for our customers and provide the information they want in the palm of their hand in a wonderful, convenient form factor.

How will Palm take us into the next millennium?

Clearly we have a vision. It's fair to say that the Palm VII is the first in a series of directions that is going to move us more towards an untethered world. Information you want, when you want it, cost effectively in the palm of your hand. That is clearly an important direction for us. We also see that, as the market grows, we need to create new markets, and we need to focus on different segments in the entry-level market. ■



The world is becoming untethered.

— Palm's Alan Kessler