

III CELLPHONE CONTENT

Mobile gurus have Donald Trump on line 1

The biggest challenge for cell content providers has been to hang in there until the rest of the world caught up. Now they are reaping the rewards,
SIMONA RABINOVITCH reports

Picture it: You're at a hockey game, a year or so from now. The Jumbotron asks the crowd to predict which player will score the winning goal. Along with thousands of others, you yank out your cellphone and vote.

Or maybe you're stuck in a late meeting and can't make it to the arena. You use your phone to download up-to-the-minute video highlights and participate in contests and other interactive activities.

After enthusiastically describing these scenarios in mobile social networking, Airborne Entertainment chief executive officer Garner Bornstein goes for his own interview power play. "More and more, we're seeing the mobile phone being used as a remote control device for your life," he said.

If this cellphone-as-remote notion sounds preposterous (and vaguely Orwellian), consider that we use our phones to take pictures of our loved ones, send and receive e-mail, play video games, download and listen to our favourite songs, record and watch streamed video and otherwise interact with the world.

We also personalize these devices with the ring tones, games, sound effects, wallpaper and other entertainment products that are Airborne's bread and butter.

It's hard to believe that just a few years ago, we thought the main function of a BlackBerry was to flavour the jam on our toast. That's why the biggest challenge for visionary companies operating in today's flourishing mobile sector has been, simply, to hang in there until the rest of the world caught up. Those who have are reaping the rewards.

Since getting into the game six years ago, Mr. Bornstein and Airborne president and chief marketing officer Andy Nulman (who for 15 years was CEO of Montreal's Just for Laughs comedy festival) have transformed their Montreal-based company into a leading provider of mobile entertainment content for users throughout North America and Europe. They have licensing deals with such popular brands as the NHL, Maxim ToGo, Donald Trump, Mary Kate and Ashley Olsen, *Family Guy* and skate apparel company Vision Streetwear.

With offices in Denver, New York and Seattle, Airborne is ranked third on the Deloitte Technology Fast 50 list, with five-year revenue growth of 33,322 per cent. Last year, Japanese mobile-industry leader Cybird Co. paid \$110-million for an 85-per-cent stake.

"The business evolved quickly,



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CEO Garner Bornstein, left, and president and chief marketing officer Andy Nulman have transformed Montreal-based Airborne Entertainment into a leading provider of entertainment content for mobile users throughout North America and Europe.

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which was very rewarding and somewhat of a vindication," Mr. Nulman said. "When we started people didn't believe in the industry. Then Bell Mobility contacted us because they wanted 'human content.' The next deal was with Sprint."

Yet content is just one chunk of the rapidly evolving mobile marketplace. Another side, of course, is the development of the technical platforms required to deliver said content to the countless mobile devices supported by each carrier. "It's complex to integrate your systems

with the carriers," Mr. Bornstein said. "There are six or seven tier-one and -two carriers in North America, and we were one of the first content providers to get them all."

"You're either building the boxcars or the tracks," said Toronto-based investment banker and consultant Albert Behr, who finds strategic partners for promising companies in finance and tech. Mr. Behr also served on this year's selection committee for Deloitte's Companies to Watch list.

"All the guys are doing one of two things: building content — the games, music, videos, pictures. And we're also seeing an explosion of service delivery platforms, as people wonder, 'How do I deploy this stuff?' Because you're a fool if you don't find a way to get your product onto those devices. It's another revenue source, another distribution channel."

That's where companies like Toronto-based Tira Wireless Inc. come in. The company recently launched the third version of its Jump mobile content and delivery

software, which carries content over a variety of mobile carriers and their various handsets.

"Jump is a critical piece of software designed to get data into the hands of users," said Doug Barre, CEO of Tira, which has about 180 employees worldwide. "Each phone interacts with each carrier's application, so it can be challenging to get content deployed globally. Jump [can handle] all the profiles and idiosyncrasies of all handsets and carriers in Europe and North America."

Tira was founded in 2001 as both content developer and deployer, but since 2004 has focused exclusively on deployment — with virtually no competition to date and such clients as Disney, T-Mobile, Warner Bros., Sony and Telus. "We're really the only venture in mobile space that focuses on the publisher," Mr. Barre said.

For its part, Airborne's business model is simple. "One hundred per cent of our business is based upon the consumer buying mobile content from the carrier," Mr. Bornstein said.

"The billing goes through the carrier, and the money flows to us." Airborne then pays royalties to its clients. And though the company is based in Montreal's hip Plateau Mont-Royal neighbourhood, 95 per cent of its commerce comes from the United States.

"We generate revenues from all around the world," said Mr. Nulman, who encourages Canadian entrepreneurs not to overlook the U.S. market. "I learned in Just for Laughs that just because you're based in Canada doesn't mean you have to just be a Canadian business."

Mr. Bornstein supports Mr. Nulman's forward thinking. "There are two requirements for success," he said about doing business in the mobile sector. "You have to be milking what is state of the art, and also looking to future products and investing in R&D to discover what's next. Products that sell to the mainstream today aren't products that will sell to the mainstream tomorrow. We do incredibly well with wallpaper, ring tones and sound effects, but those are baby steps."

As for Airborne's current pushes, "We're moving heavily into promo deals with consumer brands who want to use mobile phones to reach the market. And we want to reach consumers directly so they can buy from us by entering a text message code they might see on a billboard or television commercial."

Airborne relies on the "competitive curiosity" of its 100 employees to keep the company's stick on the ice of the future.

"People aren't pigeonholed into their position," Mr. Bornstein said. "They send an amazing amount of e-mails back and forth. They don't want to be the last to think of something and have to wonder, 'Why didn't I think of that?' We have an amazingly curious and diverse group; someone who used to work at NASA, a Cambridge philosophy major, people from the Russian KGB and Israeli Mossad."

Finally, how do they know whether an idea will work? "You never know. You just throw it on the wall and see if it sticks."

Special to The Globe and Mail