



History

Apparent Technologies is ready to change the way people approach technology with wireless multimedia solutions for a complete range of consumer electronics products. The company name reflects its revolutionary approach to transmitting data to portable, stationary, and handheld devices—literally through the “air.”

Spun-off from Eastman Kodak Company in January 2002, the original wireless transmission technology was developed in Kodak’s research labs. Many Kodak executives and technology experts chose to transfer the knowledge and skills that they developed at Kodak to work on exciting, innovative wireless solutions as part of the Apparent Technologies team. Company president James Allen worked for more than a decade at Kodak before joining Apparent Technologies, and more than a dozen employees developed their early careers as engineers at Eastman Kodak Company.

Apparent Technologies benefits from the skilled technology base in the Rochester, New York region, as well as the rich history of research and innovation cultivated by Eastman Kodak Company and its employees. Rochester-based venture capital firm Trillium Group led the first round financing for Apparent Technologies through the Monroe Fund.

The support from Trillium Group helped Apparent Technologies build a solid operational infrastructure, with Trillium Group General Partner Christopher O’Donnell serving as CEO of Apparent Technologies for two years before the hiring and transitioning of the role to current Apparent Technologies CEO Thomas McGovern. Trillium Group works closely with venture partners to ensure their success applying a strong business acumen, access to research institutions, industry contacts and personal involvement as part of the working process.

Motorola Ventures, the venture-capital arm of Motorola Inc. has also invested in Apparent Technologies to advance the technology behind the transmission of wireless multimedia files, including music or movies. Motorola Ventures reviewed approximately 1,400 plans in 2003, and provided funding for about a half dozen, making Apparent Technologies one of a very select group.

Background

Apparent Technologies was founded by Kodak and the Monroe Fund, and now employs about 20 people, including more than 16 engineers. The company is growing strategically and rapidly. The core team is based in Rochester, building on the initial Kodak group that was spun-out. The firm has offices in the Lennox Tech Enterprise Center in Rochester, a facility designed to house start-up firms and entrepreneurs in one location so that experiences and creativity can flow freely in a single building. Firms are able to reside in this location and then transition to their own offices as they grow. In addition to the Rochester technology/engineering team, Apparent Technologies hired Boston-based Thomas McGovern as CEO in July 2003, and the company also has several employees in San Diego. As Apparent Technologies grows and develops, it is looking for permanent office space in Rochester for its corporate technology base.

The Kodak connection is more than merely a story of employees and ideas transferred from Kodak—Apparent Technologies is an example of Kodak’s historic commitment to research, and the pursuit of high technology. By spinning out Apparent Technologies, Kodak was able to allow the innovative technologies to continue to thrive as a completely separate entity in Apparent Technologies. With the anticipated growth of the home wireless market, Apparent Technologies is strategically positioned for growth. Home networking is expected to become a \$5.3 billion market by 2007, according to Instat/MDR.

Situation Analysis

Apparent Technologies sought to capture the momentum of the home networking market by creating a core team of experts in Rochester to pursue the latest research and information in the wireless market. By focusing on these technologies, Apparent Technologies is able to use the influx of cash from venture capital to pursue the development of tiny transceivers that would be built into consumer electronics such as televisions, stereos, digital cameras, and PCs. These transceivers let consumers move various types of media from one device to another at a high rate of speed. Such innovation has the potential to revolutionize the wireless marketplace. Consumers will no longer be “tied down” to cables and wires as they shuffle between PCs, telephones, televisions, and other electronics. Seamlessly moving from various electronics devices makes homes very easily networked through this state-of-the-art approach.

Securing funding and hiring CEO Thomas McGovern enabled Apparent Technologies to focus on research and development and allow executive leadership to address operational and infrastructural management. The foundation built by Trillium Group’s Christopher O’Donnell allowed a seamless leadership transition. The Boston office uniquely positions Apparent Technologies near Boston’s active venture capital area, while the Rochester technology base gives the company proximity to highly skilled workers in Upstate New York’s tech sector.

Upstate New York's venture capital success stories are no surprise to those closely tracking the industry. *Entrepreneur* magazine ranked Trillium Group in its listing of Top 100 venture capital firms for 2002, and *The Deal*, a publication written for corporate and technology dealmakers ranked Trillium Group as one of the top venture capital firms participating in early-stage financing for the first quarter of 2003. Ranking in both publications were developed from the MoneyTreeSurvey from PricewaterhouseCoopers, Thomson Venture Economics, and the National Venture Capital Association.

Conclusion

Rochester's strong history of innovation, combined with a highly-skilled workforce, prestigious universities, and an extensive entrepreneurial network combine to create the ideal environment for Appairant Technologies to thrive. A fast-growing company in a rapidly expanding wireless world makes Appairant uniquely positioned for success. Appairant Technologies demonstrates the strength of Rochester's heritage in developing state-of-the-art technologies. The company is having a tangible impact on the wireless industry, serving as Motorola Venture's first investment in Upstate New York and extending the company's reach nationally through the hiring of a Boston-based CEO and employees in San Diego.

With future investments and technological development on the horizon, Appairant Technologies hopes to maintain its current business growth strategy. As consumers demand greater sophistication and advancements in wireless technology, Appairant Technologies continues to pursue perfection in the wireless transmission of data. As wireless technology nears the mainstream, the company is ready to embrace a new level of growth and success. Appairant Technologies will demonstrate its wireless technology transmission publicly for the first time at the January 2004 Consumer Electronics Show in Las Vegas.