

## MOBILE STARTUPS MEET OPERATOR CHALLENGES HEAD ON

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**Go4Venture** is carving itself a niche in the fast moving mobile technology market. As its former Zurich-based client Esmertec files for an IPO, the London-based boutique adviser, founded by former investment banker Jean-Michel Deligny, is arranging venture capital rounds for two more mobile startups that are developing solutions for the pivotal technology issues challenging telecom operators.

Go4Venture's new clients are mobile data charging solution developer **Volubill**, which is in negotiations to raise €10m, and message routing device startup Bizanga which is initially seeking €3m.

Volubill's software solution tackles the major issue of how mobile operators will charge for data as new IP-based technologies take over their networks. Up until now mobile operators have been benefiting from charging a significant premium for SMS services. However as these services move to IP based technology such as email and instant messaging the challenge is how to analyse the content of these IP flows, including music and games, and bill accordingly. This is extremely complex technology, and, according to a source close to the company, Volubill is the only player in the market that has developed a software-only solution, which makes the solution much easier to adapt to the exact requirements of each telecom operator. "Worldwide they compete only with Cisco in this market, with a few other startups failing to make an impact," claims the source.

Volubill was founded in 2001 by a group of former HP employees including Andre Meyer who is credited with founding HP's telecom unit. The Grenoble-based company is looking for its third round of financing having raised €15m in the past from Sofinnova - both through its US and European VC operations, and Argo Global, the VC that was formed by telecom operators including Deutsche Telekom, France Telecom, TIW and SingTel.

Go4Venture is also advising message routing device startup **Bizanga** on a €3m round, which is expected to be swiftly followed by a €5-8m round once the company's first mobile contract is secured. This Paris-based company's solution enables the easy development of applications which handle message flows, and will also be used in the ISP market where it can build scalable multi-application e-mail infrastructure. It is initially targeting the Asian market.

Meanwhile, **Esmertec**, which provides Java solutions for mobile and embedded devices, is entering a quiet period having started its IPO process. However, it is understood to also be talking to investors about plan B options. Go4Venture successfully advised Esmertec on a €22m fundraising which included Earlybird Venture Capital, Partners Group and Sofinnova Partners in late 2003.