

Re: Your favorite 10 analog IC's

Source: <http://sci.tech-archive.net/Archive/sci.electronics.design/2005-02/4179.html>

From: gwhite (gwhite_at_deadend.com)

Date: 02/17/05

Date: Thu, 17 Feb 2005 22:03:01 GMT

John Larkin wrote:

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> *On Thu, 17 Feb 2005 19:02:13 GMT, gwhite <gwhite@deadend.com> wrote:*

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> *>John Larkin wrote:*

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> >> *On Wed, 16 Feb 2005 09:45:16 -0700, Jim Thompson*

> >> *<thegreatone@example.com> wrote:*

> >>

> >> *>If you've never been fired for insubordination, you've not lived. I*

> >> *>got fired from Dickson Electronics (a hybrid house) for redirecting*

> >> *>their business plan from heavily military to a mix between military*

> >> *>and commercial... showing a healthy profit in the process. They went*

> >> *>bust about two years after they fired me and sold out to Siemens. I*

> >> *>think that's even gone now.*

> >>

> >> *I've always taken a perverse pleasure in dancing on the grave of a*

> >> *company that tooled one around or ignored one's genius. I applaud the*

> >> *deaths of Metricom,...*

Mostly it was average folks who worked hard that got whacked.

> *>I worked there. Why do you say that regarding them? I have my own views of why*

> *>they failed.*

>

> *What did you do?*

I was a radio engineer.

> *Well, they were originally in the remote-read electric meter business.*

> *I have some semi-cool technology that can do precise metering very*

> *cheaply.*

That is where the name sourced.

Meter Communications == Metricom

- > *I met with the guru Baran and – many times – with the prez,*
- > *Dilworth, and the engineers. They had serious doubts that my thing*
- > *actually worked – some trig-ignorant guys ...*

That is funny.

- > *...said flat-out that it*
- > *couldn't – so I did some semi-elaborate demos and customized my uP*
- > *code for their weird tests. It all worked. I proposed licensing my*
- > *stuff to them for 10% of what it would save them and they said, "No,*
- > *but how would you like to be a consultant?" Pricks.*
- >
- > *They actually never wanted to be in the meter business; all the*
- > *engineers were Ham radio guys and seemed to think that measuring 60 Hz*
- > *was trivial and annoying. Plus the usual NIH of anybody outside having*
- > *a better idea.*

The last of the Hams were gone not too long after I got there (early 1998).

- > *The meter they designed was an expensive crock, and nobody would buy*
- > *it, so they became a Wireless Internet Company (which the hams*
- > *preferred) and burned through a bunch of presidents and hundreds of*
- > *megabucks and died.*

It was Dilworth's idea.

- > *Funny, I have a friend who had a very similar experience with Cellnet,*
- > *or Smellnet as he calls them.*
- >
- > *I don't know any stories about Metricom after they switched to the*
- > *Ricochet thing; any good gossip about what they did wrong?*

The short story is that they shot themselves in the foot with an impossible nationwide buildout plan for Ricochet 2 -- they ran out of money.

The major investors, Paul Allen and MCI (to the tune of 700 to 800 \$mil, depending upon how you count it) insisted on a nationwide buildout timeline that was essentially unrealistic. That is, it appeared to me that they would only make the investment contingent upon Metricom buying into a rapid buildout. The aggressive buildout timeline--built into the investment contract--effectively forced Metricom to burn through tons of cash rapidly. They were making a near attempt to "light up" the entire nation instantaneously.

One of the major problems with this is they never gave themselves time to figure how to market Ricochet or how to price it. Again, they ran out of cash just as they were beginning to figure it out.

Also, they spent way too much on network hardware. I don't think Network Ops had even 50% of the network hardware installed (much less up and running) by crash time. When Aerie Networks bought the non-installed hardware and all IP (for \$8.25 mil) they trucked it all to Oklahoma in over 500 semi-trucks. Talk

about excess inventory. The system hardware that was produced en masse never made it to the so-called "cost cutting phase" of design development because of the "build out quickly nationwide at any cost" mentality. Put concisely, this made the hardware cost at least double what it should have been, again draining money like a sieve.

The bottom line: The directive was to take a small 200 person company in Los Gatos and build a \$1 bil (or more) advanced radio communication system nationwide in a period of about 1.5 years (maybe 2), and all the marketing and revenue generating that must necessarily rapidly follow. No one can grow that fast and be successful for any realistic amount of investment. The "plan" was crazy and flawed at its root, despite certain executive management problems that did exist during the massive network inventory over production.

I think this ended up being about a \$1.5 bil train wreck.

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> *I think I actually saw a guy in a cafe using a laptop with a Ricochet.*

> *Once.*

It actually worked pretty well. A good technology got snuffed out by a crazy plan.