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## iPad

Today Apple came out with a new device called an iPad. The device is revolutionary in a couple of ways, evolutionary and a couple more, and maybe not-quite-there in a couple of others.



The iPad will have a color screen, 16GB of storage, a nice screen that is about the size of a netbook, and no keyboard. It has a lot of the coolest features of an iPhone (like an accelerometer), and costs \$629 with a 3G connection for \$30/mo. It will do most things that a small computer will do easily (like read PDF files) that doesn't require heavy typing, but without the cost or bulk of a laptop.

The downsides are that it is much bigger than the smaller devices we use instead (like the iPhone, the Kindle, and the piece of paper). Also, while it has a great color screen, this has two major drawbacks—short battery life and eyestrain (vs. Kindle's electronic ink).

Revolutionary: This iPad is the first iPhone of its size. People will find cool uses for it.

Evolutionary: It is a nicer, lighter, better battery life version of a lot of tablet computers that have keyboards.

Not Quite There: It won't replace the Kindle, the iPhone, or the iPod, and it is just too big to carry everywhere. By being in-between a laptop and an iPhone, it seems as though it will fall short of being practical for a lot of people.

## Kindle

If you are looking for a good way to blow \$250 bucks (Kindle2) (or \$500 for the bigger KindleDX), the Kindle is a fun way to do it. This is not a money saving device, nor will it cause you to read faster. But the Kindle (I have a Kindle2) has changed the way that I read.

The device has an AT&T 3G radio in it (free), and it technically has internet access--you can go to any web site. Although it isn't a device that you'd want to do a lot of browsing on (the iPad, iPhone, and laptops are much better for this), in a pinch, it can be handy because it isn't tethered to a wire or WiFi. You can't buy all books, but most newer and classic books are online. Also the Google and the Gutenberg projects are making more old stuff available every day. While not every book on Amazon is available, it seems like most are.



The part that will cause you to read differently is that you can have a bunch of books on a device that is easy to use, easy to read, and

light. While the Kindle2 weighs about the same as a thin paperback (and the KindleDX with better resolution about the size of a thick paperback), the size of the text can be customized to your preferred size and density, and it remembers where you were last (which is nice if you fall asleep reading a lot). Also, because of the electronic-ink, the battery lasts forever (a week in the specs and in reality).

The price of books is quite a bit less than buying a book at Amazon or in a bookstore (especially when you consider shipping), but the best part is that if you decide that you want a book, within 2-3 minutes, it is on your device. Also, you can preview the first few chapters of most books before buying them.



If you get a Kindle, be sure to also get a cover/case for it. It adds a little to the weight and another \$20-\$40, but it will make you a lot less nervous about carrying it around.

## Windows7 and Office 2010

It is time to upgrade to Windows 7. It is a far better operating system, and has better security. It has been well tested, and there is no reason to wait for the first service pack (like with XP).

Everyone who is using Office 2010 really likes it. We've encountered few problems and many huge improvements over both Office 2003 and 2007. The "Ribbon Bar" is now very customizable, and they've made huge improvements to it (understanding that people hated it in 2007). Most importantly, Outlook has been vastly improved, and many of the performance problems that we saw with 2003 and especially 2007 have disappeared. We are recommending that some of our clients move to the Beta, even in advance of the anticipated June release--even the beta is very good.

## Ford Sync

We've had many conversations start lately with, "Have you seen that Ford commercial with Chris from American Idol?" It looks pretty cool. Here are some details about the Ford Sync.

It runs on a Microsoft-based OS. Although the features have been available from Microsoft for a while, this is the first time someone has truly integrated many of these features into a car and done it right. Ford was soundly mocked 3-4 years ago when they talked about putting a Microsoft-based computer in their cars (insert "crash" jokes liberally). Looks like Ford has been vindicated. While it is way better than any system in even much more expensive cars, it is a first generation product introduced in late October.

Sync does a lot. It is a bluetooth manager that syncs with phones, providing speakerphone capability and voice command (from people who've been using it, it is much better than average). It also has a USB connection to hook-up, charge, and sync with a wide variety of devices, especially including iPods and iPhones. It also has some of the features of On-Star when your phone is hooked up

to it (like call 911 in the event of a crash). Finally, it is integrated with the navigation system.

The coolest feature in the Sync is that as you insert CDs or other media (including Apple or just about any other MP3 player), it will ask you if you want to copy the music to your car. From then on, your music is in your car.

Now, the big question for those of us not planning on buying a Ford--when will it be available on other cars?

Right now, Ford has a lock on this product. It is designed purely for Ford and integrates with Ford's onboard computer system. At the same time there shouldn't be a lot of legal hurdles to other manufacturers doing the same things that Ford is doing. The ideas have and even the MS OS have been around for a while. The biggest challenge for the car manufacturers will likely be in designing it into new models. Given how slowly car companies move, it'll probably be a year before anyone else has a truly competitive product, and I'd bet on the more nimble companies (Honda, Lexus, Kia, Mini) doing it first. Both the Sync itself and the advertising have definitely caught the rest of the auto industry flat-footed, but many will probably catch up by early 2011.

## BB Tour, Bold, and Recent Outages

During the last 6 months, Research in Motion has released two smart phones that have far exceeded our expectations. The Tour (Sprint/Verizon) and Bold (AT&T) are just really excellent phones. The battery life is more than twice that of any Treo, and the newest improvements to email have made it better than any Good device, with faster filing, better hotkeys, and generally fewer keystrokes to do most things. The devices are small and quite sturdy (we've subjected them to quite a few "test" drops).

Whereas Palm's new OS has clearly lost the idea that everything can be done in as few clicks as possible, these most recent blackberrys have improved on what was already good, making many things easy (if you know the hotkeys).

The sound is great, and the antenna is very good. Putting them up against other devices side-by-side (same service provider), the Tour and Bold had much better reception in weak areas, and fewer dropped calls on AT&T.



Are they perfect? No. They could use better browsers (be sure to download Opera, which is an improvement, but still not anywhere close to an iPhone). It isn't an "application" device (but it also doesn't promise to be). Also, there is a huge difference between the out-of-the-box experience, and how good it is after a good blackberry person has fixed it up for you. It can even be quite frustrating until it is fixed up.

The devices are not cheap. Expect to pay \$200-\$500 (depending on contract status), but look for deals.

Blackberry has had a spate of outages, some regional but also many that have plagued their entire operations in a country. The worst one was in December. It lasted as long as 18 hours for many users. It appears that RIM has fixed the problems within their cloud (largely by better change management procedures), but it was a stark reminder that even the most reliable services can have incidents.

Notwithstanding the outages, Iteon has largely moved to the Tour on Sprint (best value, solid service in the Bay Area).

## AT&T Wireless

AT&T has had a lot of issues lately, especially around iPhones in NY and the Bay Area. They are quite simply out of bandwidth.

Their issue is being caused by iPhones (they didn't plan on people using the data connections so much), but the problems definitely affect all of their customers--on both the phone and data sides of the equation. We've seen an extremely high level of dropped calls, even as high as once every 10 minutes in many areas. We understand that NYC is worse. Also, the level of "missed" calls (where it never rings, but goes straight to voicemail) has risen to the point that in some areas, more than half of the calls won't get through, even where there is full coverage.

A lot of this has to do with luck, having to do with your location, and the capacity on the cell tower vs. the number of iPhone users on that cell when you are there. Time of day only sometimes has an impact, and residential areas sometimes can be even harder hit than business areas that have higher cell capacity, but if there's a high density of cafes any given cell (roughly 2-10 square miles), you're more likely to have terrible service.

These problems will probably plague AT&T for the next year to 18 months. They tried stopping the sales of iPhones in NYC, but that didn't go over well. The only solution is to add bandwidth and upgrade their cells. They will do it, but for financial and logistical reasons, it will take them time.

If you love your iPhone, we know that they will have to pry it from your cold, dead fingers. If you are thinking about a new device, it would be wise to consider not using AT&T right now.

## Price Watch

Pressure from low priced netbook sales has brought Laptop prices down, and random sales are fueling some very low prices. Now is a really good time to buy laptops with Windows7. Get a good deal, but don't wait, as the prices will likely start to stabilize soon.

Desktops are at a low right now. The prices aren't irrational (like laptops), and they are likely to stay in this range for during February, but likely start rising again soon.

We're seeing a lot of improvement in the economy from our vantage point. Prices for larger items (servers, large storage, and large network devices) are low because of the very slow 2009, but they likely will start rising to their natural level soon.

## Iteon News

The holidays were a crazy time at Iteon. We've been busy.

We've been hiring again. Please welcome Will Pizzano and Arnaud Arens. Will come to us from a big, high-class consulting company in Manhattan where he was working with financial clients, and he adds Italian to the list of languages spoken at Iteon. Arnaud grew up in St. Martin, and did his undergraduate work in Paris (and speaks French). These two bring our total language count to 12 (if you count Swiss).

If you know of any great engineers, please send them to Jay or Steve. We are absolutely hiring, and as you know, our standards are high, and we really value referrals.

Again, thank you all for your business and support. We really appreciate that we have great clients and friends and are very glad that we are continuing to grow.