

NeoPoint looks to regain lost ground with new phone line

By [Reilly Gregson](#) October 2, 2000

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CHICAGO-At previous wireless industry trade shows, NeoPoint Inc. could be counted on to make significant announcements, guaranteeing throngs of foot traffic around their booth and an overall buzz of excitement.

First it was the introduction of its groundbreaking NeoPoint 1000 smart phone. Then it was the introduction of the MyAladdin wireless portal.

At PCIA's GlobalXChange show, while noticeably absent from the floor, its voice was still heard.

The company introduced its long-awaited next generation smart phone line, the NeoPoint 2000 and 2600, featuring dual-mode and tri-mode support, respectively, additional voice user interface options and a slide-on Qwerty keyboard for easier text entry.

To many, the new products are a much needed shot in the arm for a company that has suffered its first bad year in its short history. In some ways, NeoPoint's future lays firmly on the back of these new phones.

The NeoPoint 2000, available in the fourth quarter, is a dual-band 1900 CDMA/AMPS phone while the NeoPoint 2600, not expected until early next year, is a tri-mode CDMA 1900/800 MHz and AMPS product. Both feature much of the same functionality of the original NeoPoint handset, but with specific upgrades to e-mail access and user interfaces.

They feature a Smart Mail Client that allows each device to access any POP3 and IMAP4 e-mail account with no need for message redirection. Users may download e-mail messages directly to the device and read offline, rather than staying online for the entire session. Users also may compose e-mail offline for later transmission.

To aid in the e-mail process, NeoPoint introduced the NeoPad Qwerty keyboard for easier text entry and PIM function navigation.

Both phones feature Internet-browser functionality. The 2000 supports Phone.com Inc.'s UP.Browser version 3.1, an HDML solution, while the 2600 supports version 4.0 with native WML support for full WAP interoperability, the company said.

Dual-mode support was a major demand of many wireless carriers and the lack of which is believed to have limited adoption of earlier devices. NeoPoint said Verizon Communications approved its product qualification two weeks ago and expects shipments to begin shortly.

The launch could not come at a better time for NeoPoint, which has been struggling as of late. Since the PCIA show in New Orleans last year, the firm's MyAladdin wireless portal service has made very little movement, it suffered a severe stall in a much-needed contract with AirTouch after the merger with Verizon, and perhaps most significantly, it was virtually forced to withdraw its registration for an initial public offering due to a depressed technology stock market.

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"It's been a difficult year for us," admitted NeoPoint Founder and Chief Executive Officer William Son. "We got caught in this mega-merger, that we're still in the midst of. It was very devastating for a small company like us."

NeoPoint desperately needed to introduce a new model of phone to remain an industry player. While the NeoPoint model was very well received initially, its lack of dual-mode support caused many carriers to balk at its adoption. Sprint PCS remains the only carrier selling the item, and sales reportedly have fallen off as of late.

AirTouch was expected to represent a significant win for NeoPoint. According to Son, the carrier signed a contract for a large order of the 1600 model, which still stands, but NeoPoint was forced to requalify the product with the newly created Verizon entity.

"I think we're the first company to go through two very stringent qualification processes, twice," he said.

Other issues have had an impact as well. While phone sales fell, NeoPoint lost a potentially significant source of funding in the postponement and eventual withdrawal of a planned IPO. As a result, the company has undergone some restructuring to compensate.

This restructuring is focused on a new distribution strategy, which Son said is designed to reverse the recent lag in sales.

"We were just relying on carriers to distribute our product," Son said. "We discovered carriers have issues on their end in their distribution channel. We're now trying to figure out better ways to support them."

Also, he said NeoPoint is working with as-yet unnamed new distribution partners for some kind of co-branding model.

In addition, the company is pursuing a new round of private financing to make up for the lost IPO.

With the launch of the NeoPoint 2000 and 2600 lines, Son said the company has regained some of its lost momentum.

"Every company goes through different stages of the game," he said. "We were flying high on our pre-IPO and our phone shipments. Now we're slowing down. We're only two-and-a-half years old and we have great support. I'm not really worried."