

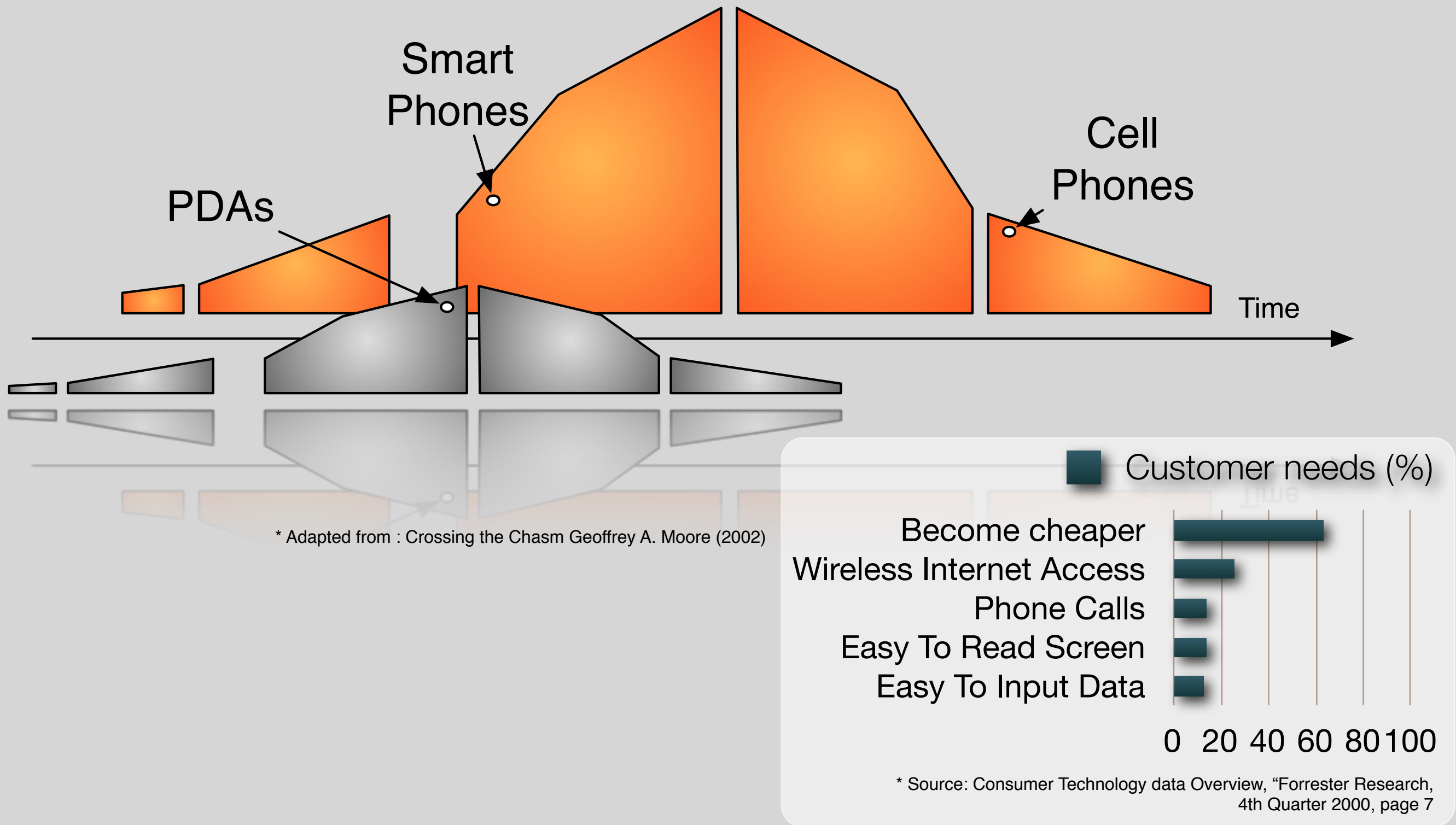


# PalmOne Strategy - 2005

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Team Decision3

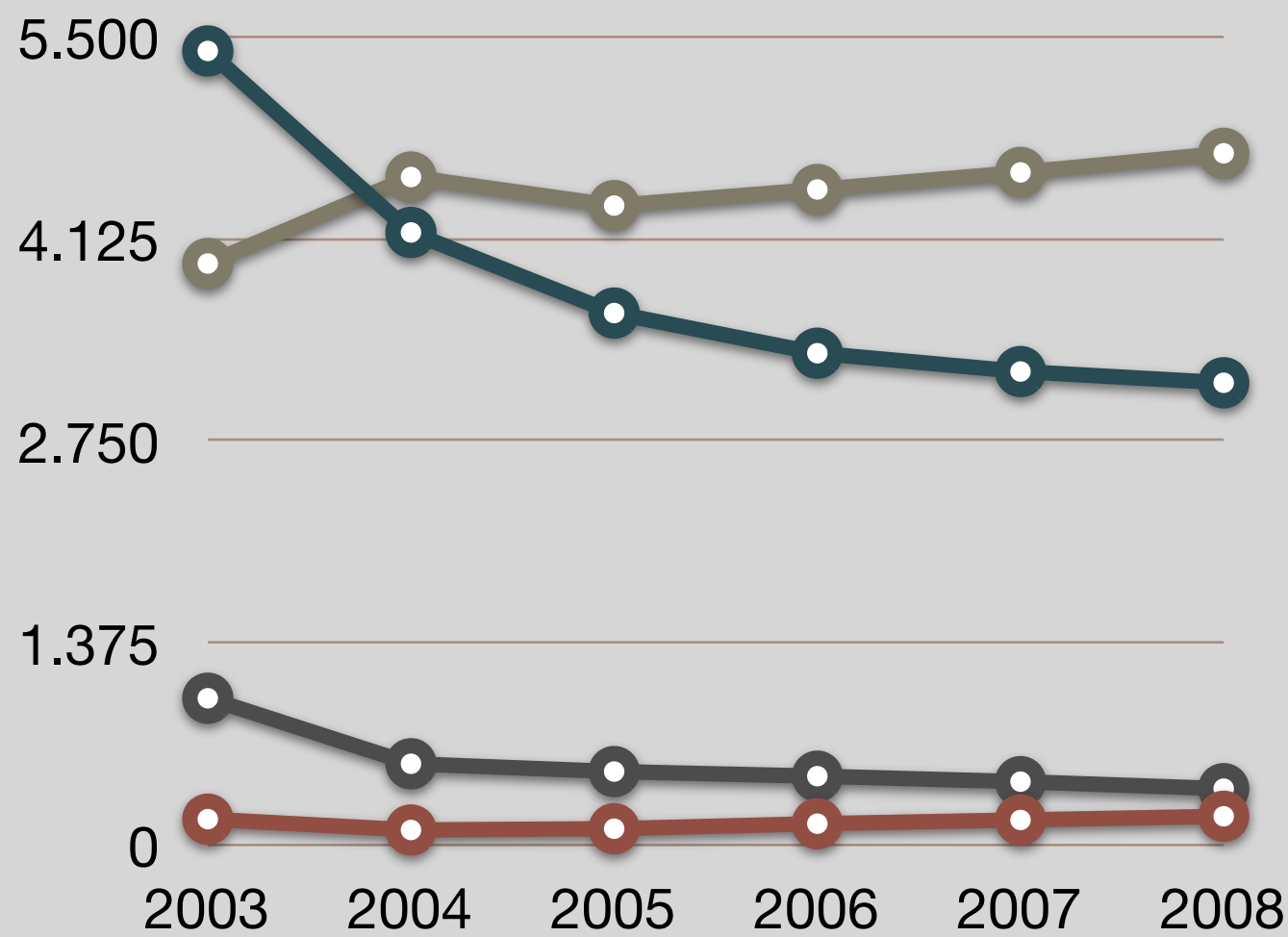
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## Diagnosis 1 TALC

- PIM/PDA, Old School!
- What do people need?
- Smartphone: Next Big Thing.

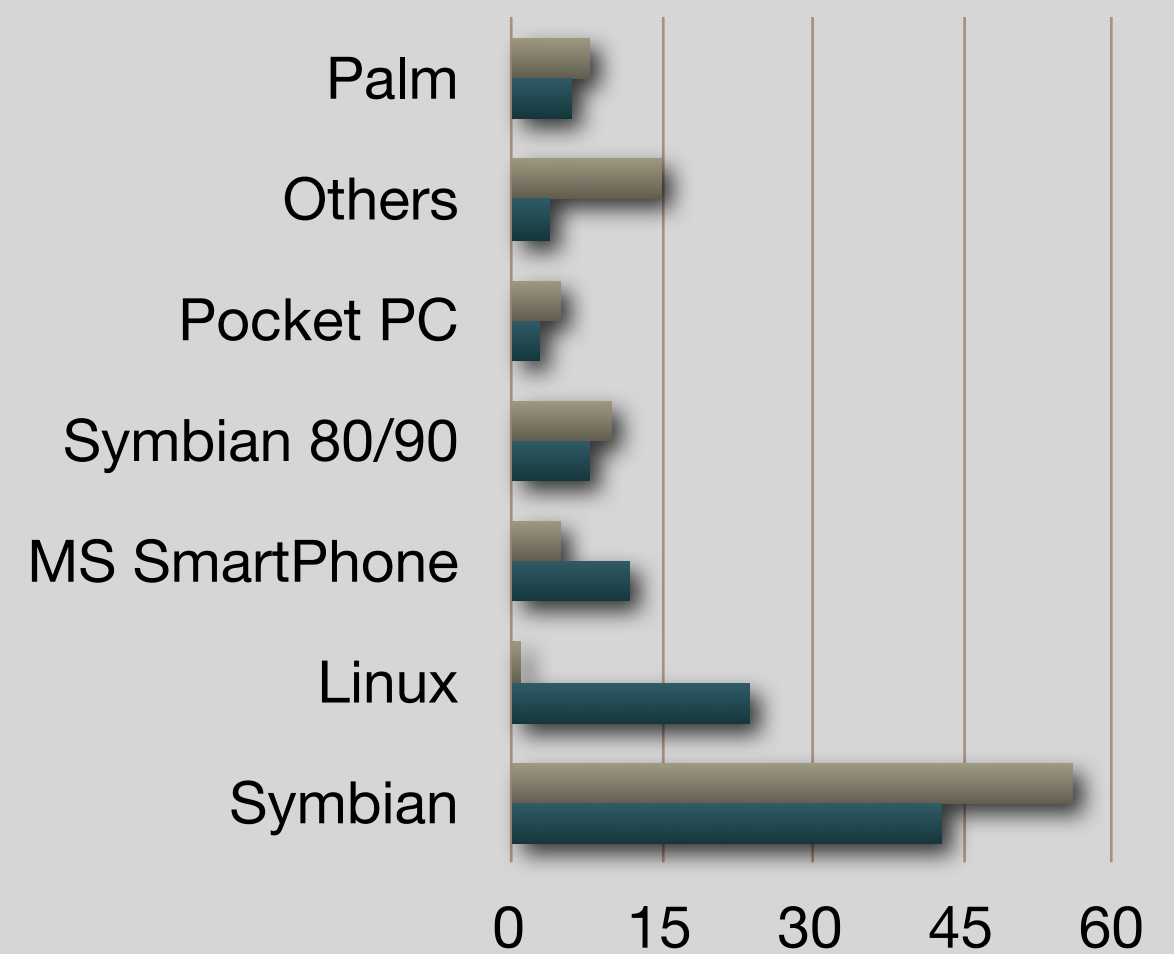
● Palm OS      ● MS Powered  
● Linux      ● Other



PDA's/OS

\* Source: PalmOne Strategy, Exhibit 12

■ 2008      ■ 2003



SmartPhones/OS

\* Source: PalmOne Strategy, Exhibit 15

# Diagnosis 2 Economic Analysis

Palm is losing PDA market share  
 but is not gaining any  
 smartphone market share

## Strengths

- Own operating system
- Well established brand
- Good usability
- Loyal customers

## Weaknesses

- New to smartphone business
- Weak design
- Small smartphone market penetration

## Opportunities

- Smartphone market
- Emerging PDA technology markets
- Enhance design and image company

## Threats

- PocketPC and Symbian
- PDA market is losing share to smartphones
- Thin client solutions

S.W.O.T.

## Partner Matrix

Earning

Strategic



Limited

Learning



## Strategy

Smartphones



OEM

B2B

Spin  
off

\* Source : Kosnik and Montgomery (1994); 'Managing Cross Cultural Alliances:  
Can Trust be Achieved in a Plygamous World?'

# Decision

	Risk	Mitigation Strategy	Contingency	Severity	Probability
Risk 1	PalmOne does not acquire the technical skills needed in smartphone market	Get a learning partner (major technical university)	Partner with OEM or ODM	5	3
Risk 2	Other manufacturers start making cheaper devices	Build brand and cut margins to become cheaper	Introduce new features and improve your design process	4	2
Risk 3	People are not buying smartphones because regular phones are good enough	Introduce new features and try to win customers with them	Innovate with new products that do not compete with cell phones	4	2
Risk 4	Consumers want to use Microsoft's Pocket PC based devices for compatibility	Improve windows compatibility of palm's products. Make the platform PocketPc-ready	Introduce PocketPC based products on Palm hardware. Partnership with Microsoft	4	2

Reality test matrix