



J.Gold Associates LLC, 6 Valentine Road, Northborough, MA 01532, USA
www.jgoldassociates.com +1-508-393-5294

Why RIM Really Needs a Tablet

Rumors have been swirling about that RIM will be announcing its own tablet computer, the BlackPad, as early as next week. Here's why RIM needs a tablet offering, and here's why it does not have to compete with Apple's iPad or Android tablets to be successful.

RIM will be launching its own tablet computer in the very near future. And through leaks and speculation many commentators have identified its probable characteristics; 7 inch touch screen, Marvell-based ARM chip (likely the same one powering the Torch), running the QNX OS (not BB OS 6), WiFi but no 3G radio (works on 3G by tethering to a BlackBerry device). It seems everyone is comparing the BlackPad to the iPad and saying that the BlackPad will be non-competitive. This is not a valid assumption in my opinion. I don't expect the BlackPad (or whatever it is finally called) to compete directly with iPads and Android tablets in the general consumer space. I think RIM is savvier than that and has done its homework. Its primary target is business users, not the general consumer market, at least not initially. So will there be some challenges for RIM in the market? Sure. But it won't be the disaster that many predict. In fact, I expect it to be successful in the rather large niche it is targeting. Here is what I think some of the strengths and weaknesses for RIM's strategy are.

Why run on the QNX OS vs. the BlackBerry OS?

Rumor says the BlackPad will run a QNX OS and not the newly released BB OS 6. There are two key two issues with that approach. First, does it tie into the BES/BB infrastructure so companies can make sure they are compatible with existing BB installations for deployment, management, security, etc.? And does BlackPad have the needed business apps, or is it targeted at the consumer space? QNX, recently acquired by RIM, has extensive expertise in embedded systems for auto, entertainment, controllers, etc. Their OS runs many real time operating systems products. And they have lots of multimedia expertise. So no doubt they can design a pretty compelling environment for a tablet. But is it a BlackBerry? Or is it just a tablet unrelated to its BB sibling? That could prove to be the deciding factor for businesses choosing the device.

Many commentators have indicated that running the QNX OS means there will be few apps available for the device. This is not an accurate assumption. I expect many applications to be available for the device from day one, as it is highly likely it will include a Java Virtual Machine (making it backward compatible with many BB apps), a WebKit browser (allowing HTML5-based cloud computing apps), and Flash compatibility (which QNX has extensive experience deploying).

It may even include VoIP (making it compatible with MVS) and video conferencing. So BlackPad will likely come to market with loads of potential apps and be largely BB apps compatible as well.

Is offering a tablet a wise move for RIM?

RIM has to play in the tablet space, just as Nokia, Motorola, HTC, Samsung and all the rest of the mobile players do. The tablet is really a separate class of device and is optimized to be a companion device for web surfing, entertainment, email, cloud-based apps, etc., working beyond the constraints of the smaller screen and challenging navigation of a smartphone. Many companies are looking at deploying tablets for their workforces in a variety of application areas and vertical industries. If a RIM tablet provides a secure, manageable, rugged device, like BB phones, and companies want to use a tablet, then the RIM device could have an edge in the market for business users (not necessarily for consumers). That is where I would target the first RIM tablet device, and I think that is exactly where RIM wants this device to go.

Does it have to be a viable iPad competitor to succeed?

Everyone seems to believe BlackPad must compete head to head with iPad to be successful. No, it doesn't. It needs to solve a targeted problem for business users. It needs to help companies be more productive. If it does that well, and is rugged, secure, affordable and easy to manage, it should be successful. Of course, it also has to appeal to the user, so some amount of consumerized features (i.e., good webkit based browser, media capability, camera) will be required as well. But lots of companies are looking at tablets for their workforces, and not as entertainment devices. And RIM can make a good case for its long legacy of providing business-class solutions to its customers.

Bottom Line: Clearly the BlackPad is a gamble on RIM's part. But it needs to play in this space. And it needs to get experience with the QNX OS components which will lead to its new and improved OS capability (see our recent Technology Insight research report "BlackBerry's Jam and RIM's Transformation" for details on how QNX is a highly strategic fit for RIM's long term strategy). If the BlackPad targets RIM's installed base of business users effectively, it will be a very successful product, and one that could enable new application solutions beyond those available from competing tablets. And it will enhance and extend the BB corporate infrastructure within RIM's installed base. This will be beneficial to both business users who are currently employing the BES architecture and RIM's long term business prospects..

Jack Gold is the founder and principal analyst at J.Gold Associates, an information technology analyst firm based in Northborough, Mass., covering the many aspects of business and consumer computing and emerging technologies.

For more in-depth comments or analysis on this or other subjects, feel free to contact us.

Jack E. Gold

jack.gold@jgoldassociates.com
www.jgoldassociates.com
508-393-5294

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