Commentary and Analysis...
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WebOS Has a Mobile Future - Just Not with HP

Speculation is rampant about what's next for WebOS now that HP has essentially abandoned the platform (at least for mobility markets). The speculation is that it will get licensed, or even sold to the likes of Samsung, LG or Amazon. But are those the best bets for continuing WebOS as a viable mobile platform? I don't think so. I believe a dark horse candidate will move in to buy/license WebOS, one usually not mentioned but with the ability to turn WebOS into a mobile contender.

It is unlikely a single mobile device vendor could buy WebOS and change it from an also ran into a competitive threat in the market. Even the compelling market share of a Samsung, or the leverage that an Amazon could wield would likely not be enough. At most, WebOS would remain a niche platform specific to that vendor with a minimal ecosystem limiting its consumer appeal. But there is a company who could create a WebOS ecosystem and offer it as a component of a broader mobile-ready strategy. Although usually not included in the list of who might get WebOS, I believe the most logical candidate (and the one who could make it successful) is Qualcomm.

Why you might ask? Well first, WebOS currently only runs on Qualcomm chips. And Qualcomm is in a major battle to differentiate its ARM-based Snapdragon chips sets from other ARM-based suppliers like Nvida's Tegra, TI's OMAP, and even Intel's non-ARM Atom chips. Qualcomm has been in the OS business before (and still is) with its Brew offering, which is targeted at feature phones, but is getting quite stale. What better way to differentiate (and sell lots of chips) than by offering OEMs a complete package – CPU, GPU, Wireless and of course, the OS to make them all play well together (think Brew for the next generation)? And since Qualcomm offers the necessary tools and design capabilities to create a complete solution, it could build out an entire ecosystem. In the emerging markets, where costs are key and the dominance of iPad/iOS/Android is much less important, this could be a winning strategy to make a low cost tablet market come alive. It could invigorate the many vendors serving the emerging markets. And it could sell a lot of Qualcomm chipsets. And with Qualcomm's design tools, app delivery capabilities and extensive relationships in the mobile vendor and carrier market, it could be a viable option.

Of course, this move could alienate the Android crowd of vendors, and even make Google move more forcefully to other chips as the primary design center (as it did with Tegra for Honeycomb). But I believe that Qualcomm could easily manage this, if it positions WebOS as its mid-range player for those vendors who want an entire mobile kit. Qualcomm is already committed to supporting not only Android, but Windows Mobile (and future Windows 8) as well, so supporting one more OS would not be that much of a stretch, and could offer the market a differentiated choice. Qualcomm has relationships with all of the major vendors, many of whom would welcome a viable second platform to their Android initiatives. And they could leverage many of the services Qualcomm has available (e.g., app delivery, device management, provisioning, location services).

All of this doesn't mean the approach is not risky. Certainly Qualcomm doesn't want to alienate the Android crowd where it generates large (and growing) revenues for its Snapdragon processor family. And it would have to assume engineering and maintenance of a complete OS. But offering a mid to entry level, high performance tablet "kit" based on WebOS could prove very attractive to certain markets where volumes could be huge. And optimizing WebOS for Qualcomm's graphics cores could make it very compelling as a content delivery platform.

Bottom Line: Is this pure speculation? Sure. But rational speculation based on market dynamics which continue to evolve, and which require different approaches to different markets around the globe. And Qualcomm, of all the potential suitors for WebOS, could probably make this work. Of course, there is always the chance that another dark horse like Nvidia could come in and take on WebOS, but it is less probable they have the resources to make the total package work, and it would endanger their status as the platform of choice for Android Honeycomb. And of course, there are a number of Palm patents available as part of any WebOS buy, so it could even be attractive to Apple or Google. But ultimately, I'm betting on Qualcomm, provided HP is reasonable with the terms (which ultimately they may not be). So, WebOS as a mobile platform may, as they say, not be quite dead yet.

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