

## Tropos Networks: A Mirror On Ourselves

by Greg Neichin | June 11, 2012

---

Don't make the story about yourself.

This is an old adage that journalism professors telling aspiring reporters. Luckily, I'm not a reporter, so I can ignore that advice.

**The story of Tropos Networks, which was successfully acquired recently by ABB, is a story about me. In fact, it's a story about many of us and that, to me, is what makes it so compelling.**

It is a story of how technologies & executives originally groomed in the hype to reality cycle of the datacom and software world found their way into the cleantech sector only to find themselves on a similar roller coaster journey. In the case of Tropos, as I hope for many of us, I think this story has a happy and productive ending.

Tropos Networks was born during the first dot.com boom in early 2001. This is when I, a fresh Silicon Valley transplant, first became aware of the company. I was working in the datacom equipment business for Redback Networks on Strategy & Business Development when I had the chance to meet early Tropos investor Curtis Feeny at Voyager Capital. At the time, a calm before-the-storm moment in history, Tropos had a vision for building out extensive municipal wifi networks for general public use, as well as public safety applications.

**Not soon after I met Curtis, the datacom market imploded and Tropos, like many of us in the Valley, buckled down and persevered through a series of transitions.** The company grew from 2002 through 2008\* as a leading provider of equipment into municipalities looking to extend free wifi programs into public spaces. Tropos added strategic investment from Siemens and Intel and expanded its reach into private network applications for police, fire, and emergency services.

**Unlike many companies, and fair weather "boom wranglers" that packed up and called it quits during that era, the Tropos team remained focused on fundamentals. While the municipal market may not have been sexy, free-spending, or fast to make decisions, it was a market with tremendous long term growth potential.**

This municipal lens also gave Tropos ringside visibility into the coming wave of electric utility smart grid investment in 2008 & 2009. Sensing this opportunity, the company began to expand its product portfolio and brand messaging to address the advanced metering (AMI) and distribution automation (DA) markets. The collaboration with ABB that culminated in last week's deal\*\* actually began back in 2009 when the two firms announced joint work on DA applications at GridWeek.

By 2011, Tropos had become a credible player in the cleantech sector. **I had also personally found my way from the datacom world, via a detour through two software startups, into the cleantech sector and in March 2011, I found myself sitting on a conference panel alongside the aforementioned Curtis Feeny who was there to talk about Tropos. Life always does seem to come full circle.**

Today, with the smart grid market transitioning from hype to reality (just as the datacom world had done a decade ago), Tropos is again focusing on fundamentals. The company has built a strong customer list in the smart grid space, and coupled with its root in the public safety market has a very strong vision for how its

solution can be the backbone of integrated smart city deployments. It is also beginning to expand into the traditional energy sector as oil & gas players look to deploy field communications and analytics to optimize operations.

**The broadening of the Tropos business yet again parallels the thinking of many of us who came to the cleantech sector via the IT world who increasingly see opportunities to bring technology and communications enabled solutions to a wide variety of resource markets.** In linking up with ABB, a global powerhouse with automation and control equipment for everything from the electric grid to water to transportation, Tropos now has the support of a corporate parent with a similarly ambitious mission, yet one firmly grounded in the reality of what it takes to sell into the world's largest utility and industrial customers.

As we hopefully move beyond the cleantech sector hype trough and into the productive plateau of reality, I am confident that it is companies like Tropos, those that have weathered the ups and downs and have willed their way to success, that will find themselves as future leaders.

Similarly, I am confident that executives who have been on the same ride will be those that are best able to guide this entire sector into its next productive phase. It may be a wild ride, but it is one that is ultimately grounded in undeniable fundamentals. **Just as the datacom sector suffered from early overheating yet ultimately transformed the way the world operates, so too the evolution in cleaner, more efficient energy technologies will undoubtedly alter major sectors of the global economy.**

**It will take patience, but we will get there.**

Some Other Fun Facts/Notes:

\* Interestingly, Tropos was led during this period by Ron Sege who has since also successfully transitioned into the cleantech/smart grid space and is CEO at Echelon

\*\* While Tropos & ABB had been working together for some time, it was boutique, cleantech banking specialist [Greentech Capital Advisors](#) that played a big role in pulling this deal together. Greentech was also instrumental in helping GreatPoint Energy in its huge \$420M raise last quarter. It is another proof point to me that firms like GCA with long, patient dedication to the resource sector will continue to see success