

Democratic

More and more consumers are becoming familiar with products made by traditional manufacturers for the surveying, GPS and GIS world. High-end techniques of a few years ago are now available to the masses. It's a development inherent to innovation. And it's of all times. Think of the availability of the car: eighty years ago only the doctor and other town bigwigs were in a position to drive one - and look at it now. A more recent example is the spread of cellular phones; ten years ago the owner of such a device was an early adopter and now nearly every twelve-year-old is on constant stand-by via his or her mobile. You can file the same evolution for internet. Within a few years an innovation becomes a commodity - true technical democratisation.

Big news in these weeks is the acquisition of Thales Navigation by Shah Capital Partners. We've seen a lot of interest in companies working the conjunction of GPS, surveying and GIS. Remember the take-over of Vexcel by Microsoft and the take-over of Leica by Hexagon, just a few months ago? Thales Group has sold Thales Navigation in order to refocus on commercial markets including defence, aerospace, security and services. Undoubtedly very profitable markets for years to come, but I do also see why Thales Navigation is happy to move forward under the name "Magellan", the brand it has already used for consumer devices such as navigation units.

Why? Well, let's go back to the masses. Because what are the consequences of products and services once reserved for professionals now becoming known to large groups of consumers? One consequence of the rush by bikers and hikers to buy GPS handhelds, do-it-yourself carpenters to acquire measuring equipment, and the average internet user to get hold of mapping software is a sure boom in revenue growth for the business. Consumers are blowing profits sky-high. Secondly, the availability of all these new gadgets automatically creates in the consumer a hunger for more. More revenue creates a safe base for company R&D, the R&D departments create a safe base for new sales. It's an economic wheel that has only just begun to turn and which will gain momentum over coming years.

This cycle might be the reason why Thales Navigation is rightly happy with the consumer focus aimed at by its new owner. Sales, revenue and profits will go up, quite evidently for consumer areas, but also for the professional market segment trading under the name of Magellan. More, this take-over might easily whip up developments within the company and cause a boost to the navigation industry as a whole.