MyAlert in 2000

MyAlert had demonstrated that its product was popular: more than 200,000 people use different types of alerts in order to receive all sorts of information on their mobile phones.

This was all supplied by a company with a team of eighty people in more than five countries, using their own technology of personalisation of alerts. However, the universal nature of the project needed to keep growing in order to reach the desired level they had set themselves. In 2000, a new round of fundraising proved successful, permitting the company to obtain 48 million euros in May.
The company had become a major player in the market, appearing in analysts’ reports as “on the brink of becoming an international portal leader” and “a possible consolidator of the industry”, and the specialised European press picked it out as one of the twelve European high technology companies with most potential.

- The company had innovatory technology, a consolidated management team, a users’ base for its services and an important earnings level in comparison with the rest of the sector.

- Moreover, MyAlert’s results account had been in an environment that benefited from an excess of comprehension in the investing community towards operating losses as a resource for the purchase of a market share. Even though MyAlert had reached a turnover of almost 5 million euros in 2000 (among the highest in its field), the financial market was already showing clear signs that in future the earnings should be as close to covering the costs as possible.

- It’s also true that there were objective grounds for concern, since a high percentage of MyAlert’s predicted earnings were based on advertising and electronic commerce via the mobile (m-commerce) sectors, which are still beginning and are also very badly affected by the crisis resulting from the fall of Nasdaq in April 2000. This crisis had put an end to the “dot.com bubble” created around the development of the Internet and the new communication technologies and had filled the markets with gloom.

It was the moment for MyAlert to judge whether its moment of glory could be prolonged in spite of these changes. To achieve this, among the many problems to be solved two important ones stand out:

- how to grow rapidly;
- how to make the results account positive, given the market situation.

How can both aspects be combined so that the achievement of the one does not put the other in the shade?