

REPORT REPRINT

Tango Networks expands enterprise mobility services with Simetric Telecom acquisition

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The transaction will enable Tango Networks to expand its offerings to become a global mobile virtual network operator, delivering a comprehensive portfolio of enterprise mobility services.

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Tango Networks has announced its acquisition of Simetric Telecom, a UK-based provider of mobility and telecommunications services for enterprises. The transaction furthers its vision of addressing mobility requirements for enterprise communications by enabling integration at the network level, to extend unified communications functionality to mobile devices. The company also announced a partnership with Gamma, a provider of voice, data, and mobile products and services in the UK, offering integrated radio access into the Simetric and Tango Networks platforms to offer fixed-to-mobile converged services to its wholesale interconnect and platform partners.

THE 451 TAKE

The acquisition of Simetric Telecom further expands Tango Networks' efforts to extend unified communications functionality to mobile devices. It should enable Tango Networks to become a global private mobile network, delivering a comprehensive portfolio of mobile-native services driven by the enterprise UC platform. This is consistent with our concept of second-wave mobility and the distributed work environment, a central component of how we envision the future of work will evolve. This will further differentiate Tango Networks, but also expands the range of indirect competitors. The company is delivering on its product vision; key challenges will be in the execution of its go-to-market plan, including creating awareness for its value proposition and expanding its sales and distribution channels to reach a wider audience.

DEAL DETAILS

The acquisition marks Tango's first foray into M&A. Although the terms of the deal weren't disclosed, it's likely a modest-size deal. Most of the \$40m in outside capital raised by Tango Networks came in a \$25m series A about a decade ago, and we estimate the buyer finished 2017 with \$12m in annual revenue. Simetric Telecom will be integrated into Tango Networks. All employees will become Tango employees, including its executive team; the combined company will have a total of 52 employees.

DEAL RATIONALE

The target complements Tango Networks' Kinetic Cloud offering, which aims to provide organizations with a single point of management that integrates mobile communications with UC systems, fixed telephony, call recording systems and business applications. The combined company will create a global MVNO (mobile virtual network operator) service provider, integrating mobile-native voice, text and data communications services with enterprise telephony and applications.

ACQUIRER PROFILE

Tango Networks provides solutions for mobile UC. It was founded in 2005 and is based in Frisco, Texas, with a development and operations presence in Bangalore, India. The company claims to have multiple Tier 1 service-provider deployments in the Americas and Europe.

Tango Networks has developed a different approach from the one adopted by major UC vendors, which is typically based on a mobile app that connects smartphones to a company's UC network. Kinetic Cloud is a software-defined communications platform that allows organizations to extend business communications to employees' mobile devices. The company describes the platform as cloud-based communications control middleware that helps organizations turn employees' mobile devices into extensions of corporate systems, enabling enforcement of corporate policies and synchronization of corporate applications with mobile communications. The platform provides integration to UC platforms from Avaya, Microsoft, BroadSoft, Mitel, Cisco and Unify; it also provides integration to enterprise applications from NICE, BlackBerry, Salesforce, Verint and ASC.

TARGET PROFILE

UK-based Simetric Telecom was founded in 2009. The company operates a telecommunications network that blends fixed communications and mobile services to deliver unified telecommunications. The company's Mobile-X service provides enterprises with converged mobile communications encompassing the full enterprise telephony feature set.

COMPETITIVE OUTLOOK

The Kinetic Platform is complementary and adds value to an organization's UC system. UC vendors, such as Cisco Systems and Microsoft, provide mobility features and can be considered indirect competition. There are also several mobile-native communications platforms that can be considered competitors to Tango, such as Metaswitch and Quobis. Expanding its offerings with the acquisition of Simetric Telecom will further differentiate Tango Networks with a unique set of capabilities; however, it also places it as an indirect competitor to mobile operators focused on enterprise mobility services.

SNAPSHOT

ACQUIRER

Tango Networks

TARGET

Simetric Telecom

SUBSECTOR

Cloud communications

DEAL VALUE

Undisclosed

DATE ANNOUNCED

November 27, 2018

CLOSING DATE

October 3, 2018