

VentureBeat

Zensys scores investment from Panasonic for wireless remotes

Dean Takahashi | March 25th, 2008



Zensys, a maker of wireless remote control chips, will announce today it has received an investment from Panasonic.

The Fremont, Calif. chip maker creates chips based on the Z-Wave home control standard, which is used to connect a variety of devices — from security cameras to consumer electronics gear — on a wireless mesh network within a home so that they can all be controlled by a single remote control.

The company's wireless radio remote control technology has been beating out infrared remote controls because it has longer range (up to 100 feet), can go through walls and glass, and can control a wider array of devices.

The company declined to disclose how much it has raised. Existing investors Intel Capital, Cisco, Bessemer Venture Partners, Palamon Capital Partners, and Sunstone Capital are also investing again.

Lew Brown, executive vice president of marketing, said in an interview that the company will use the money to produce its next-generation wireless chips, which create a wireless mesh network inside a home.

The current chips operate on the 1 gigahertz or less wireless spectrum; the next generation chips can operate at 2.4 gigahertz. At that part of the spectrum, the chips can be used in remote controls for products used in Korea and Japan. That explains why Panasonic is coming in as a strategic partner.

Zensys competes with a variety of wireless remote makers such as Insteon as well as makers of conventional remote controls. Some rivals belong to the competing Zigbee wireless standard group. Zensys once belonged to that group but decided to split off and form its own interoperable wireless standards body because Zigbee was moving too slowly, Brown said. Currently, there are 200 Z-Wave products on the market from a variety of companies. More than 160 manufacturers are using Z-Wave chips in devices.

The company has 50 employees. Previously, the company raised \$15 million in 2005 from Bessemer Venture Partners, Palamon Capital Partners, and Vaekstfonden, a Danish growth fund. It also raised undisclosed amounts from Cisco and Intel in 2006. The company has sold millions of chips, mostly in Europe and North America.

Brown said that IR remotes are falling out of fashion because a lot of people who are buying flat-panel TVs are buying cabinets and more consumers want to put their gadgets behind glass doors. IR can't penetrate those doors, whereas Z-Wave can.

In addition, many people are finding that they need a single universal remote to control everything in the house, from the lights to their consumer electronics gadgets. That's one of the trends that is driving growth of the global home automation market to \$2.4 billion by 2010, according market researcher Global Industry Analysts.

Source: <http://venturebeat.com/2008/03/25/zensys-scores-investment-from-panasonic-for-wireless-remotes/>