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Now out of stealth mode, Prysm focuses on big picture

SILICON VALLEY / SAN JOSE BUSINESS JOURNAL - BY Mary Duan

For Prysm Inc., the secret sauce is quite literally a secret.

The company has developed a new way to create very large format displays that can be used in digital advertising, sports arenas and concert venues.

But it uses an ink recipe and process that is so proprietary that the company refuses to manufacture overseas out of concern that its intellectual property might be stolen. And its attorney registered the company's U.S. patent under his name so it couldn't be tracked by anyone trying to figure out what the company (then operating under the name Spudnik) was doing.



"It's like the formula for Coca-Cola," said Prysm co-founder and chief technology officer Roger Hajjar with a grin. "We keep it locked up in a vault."

Hajjar has good reason to smile. After four years flying completely under the radar, Prysm emerged from stealth in January with the announcement that it was ready to commercialize its product: laser-driven displays in a tile form that can be customized into any shape or size. The lasers are back-projected onto a screen printed with phosphor stripes, and the laser turns on and off as it sweeps across the screen.

Because the screens don't use semiconductors, they use 75 percent less power and remain cool to the touch. And because there aren't semiconductors, there's no pricey semiconductor fab to develop — the company manufactures from a plant in Concord, Mass., that Hajjar said took less than \$10 million to get up and running.

"It's the magic of the technology," Hajjar said. "There are no wires required to make an image."

Prysm is initially targeting the commercial market for applications such as digital advertising, sporting events, concerts and retail. It's a good market, about \$8 billion a year, but it's totally eclipsed by the \$130 billion consumer display market.



Eventually, that market is a big part of Prysm's plan. First go commercial, and then go huge by chipping away at the consumer market.

Prysm's January unveiling was deliberate, said co-founder and CEO Amit Jain. It gives the company six months to get the marketplace comfortable with the laser phosphor display platform before the industry's enormous tradeshow, the InfoComm10 in Las Vegas in June. The company in the past month has begun shipping screens to customers for beta testing. Jain declined to name any customers, citing strict nondisclosure agreements they requested Prysm sign.

So far, the company has raised \$75 million in venture funding, including a \$44 million Series B round in February participated in by Yatin Mundkur of Artiman Ventures of Palo Alto and Tim Wilson of Partech International in San Francisco, according to the U.S. Securities and Exchange Commission.

Jain said the company is in the middle of raising a Series C round that he hopes will close by the end of this quarter.

"We were determined to cover everything well, the baseline technology, the validation of the product we're going to launch and a good understanding of the timeline to bring the product to market," Jain said. "We will have the money to take us to full-volume production and the working capital to grow the company into various product lines."

Wilson, who sits on Prysm's board, said the company is inventing a completely new type of display technology without using much capital. That makes it a very attractive investment.

"They have a compelling way to use parts that already exist in high volume to make a display technology that offers a brilliant picture and very low power," Wilson said. "That was the initial investment thesis I had."

Wilson likened the company's strategy of launching as a commercial product to mountain climbing: The investors are allowing Prysm to climb Mt. McKinley today and then tackle the Himalayas in the near future.

"At the end, bringing this to the home is absolutely the home run," Jain said. "But to get into the consumer market, you have to carefully think through what segment you want to enter first."

Prysm announced in March that within the year it would double the number of people working at its 23,000-square-foot manufacturing and R&D facility in Massachusetts, from 35 to 70. In addition, the company is looking to hire sales, business development and mechanical engineers at its San Jose location.

The company now has 125 employees total.

Chris Chinnock, president of display industry analyst Insight Media, said the company has a "cool and different" technology, and a green-friendly message emanating from its low-power requirements that could help sell it. But he said the commercial market for the displays can be somewhat closed, with long sales cycles, and is dominated by established names such as Toshiba Inc., Samsung Electronics Ltd., NEC's Display Solutions of America division and Sharp Electronics Corp.

The consumer market also may be an uphill battle, particularly if the company plans on marketing a rear-projection television. But Chinnock admitted the company hasn't yet disclosed all of the markets it plans to go after, or how it's going to do it.

And the company itself isn't quite ready to reveal those things, either.

"We don't want to eat everyone's lunch yet," Hajjar said. "At least not today."

At-a-glance:

Prysm Inc.

Headquarters: San Jose

CEO: Amit Jain

Funding: \$75 million

Founded: 2005

Number of employees: 125

Web site: www.prysm.com

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