



President of NovAtel, Jonathan Ladd

**I**n a move that could have substantial consequences for the GPS marketplace, LeicaGeosystems and NovAtel Inc. have executed a strategic cooperation agreement to develop high-precision GPS technology.

Under the agreement, Calgary, Canada-based NovAtel will immediately begin work to customize its existing GPS engines and components for Leica. Over the longer haul, the two companies say they plan to collaborate on developing new-generation technology, including equipment that uses the new civil GPS signals at the L2 and L5 frequencies and, possibly, Russia's Glonass system and Europe's proposed Galileo system.

For Leica, the deal makes a break with its past that since the mid-1980s had drawn on the former Magnavox commercial GPS technology and led to Leica's acquisition of the Torrance, California-based Magnavox business in 1994.

For NovAtel, which has just reported a profitable 2001 fiscal year, the new alliance reaffirms the Canadian company's

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strategic focus on core GPS signal processing techniques and related engineering challenges. Once new products "are rolling out over the next couple of years," says NovAtel's new president and CEO Jonathan Ladd, the company expects the Leica business to generate 15–20 percent of NovAtel's revenues.

Ladd told GPS World that he does not expect the agreement with Leica to affect NovAtel's joint venture with Sokkia in POINT, Inc. That company, established in 1999 with 51 percent Sokkia ownership, draws on NovAtel engineering and technology to produce Sokkia-branded products for surveying, mapping, geographic information systems (GIS), construction, and machine-control markets.

The new agreement combines NovAtel's OEM engineering with Leica's formidable worldwide sales and distribution network for high-precision positioning equipment and related geospatial technologies. As of February 2002, Leica Geosystems, headquartered in Heerbrugg, Switzerland, employed 2,900 staff worldwide, including employees gained from several key acquisitions over the past year. Revenues at the end of the company's last reported fiscal year (March 2001) were more than \$400 million.

Although Leica has reportedly laid off more than a dozen staff members at its Torrance operation, the company will continue to concentrate on developing products and integrated solutions for surveying, monitoring, and GIS using high-

accuracy GPS and other Global Navigation Satellite System (GNSS) technologies. This includes further development of algorithms for high-accuracy positioning, real-time kinematic (RTK) data capture, long-baseline processing, the creation of reference station networks, and data collection for GIS and machine-control applications.

"NovAtel brings a part of technology that we can reliably use together with our own concepts, and also has interesting strategic alliances in other GPS application areas. This will allow us to take profit from economies of scale and focus our resources on retaining and strengthening our competitive advantage in our areas and markets," says Hans Hess, president and CEO of Leica Geosystems.



Founded in 1978, NovAtel has a substantial involvement in providing equipment for ground reference networks used in satellite-based augmentation systems in North America, Japan, Europe, and China. Its OEM products are used principally for applications in precision markets such as surveying, GIS, aviation, marine, mining, and machine control. ■