

## Future of EDA

There is an interesting recent article in EE Times called "Are ESL and DFM false hopes?" Richard Goering poses the question whether Electronic System Level Design (ESL) and Design for Manufacturability (DFM) software can save the EDA industry, seemingly caught in a spin cycle of same ol' same ol', fierce price competition, high cost of sales, and an overall unattractive future.

Here are four things that I think ought to happen:

First, Mentor needs to cease to exist (chopped up and sold off by an LBO firm), thereby releasing some of the unnecessary price-competition in EDA software. Magma needs to be acquired by one of the other two EDA giants, Cadence or Synopsys, achieving more of the same effect. Likely, this will adjust some of the structural disfunctions of the industry, and render better P&Ls.

Second, EDA ought to merge with the IP Industry, and consolidate the sales channel. The players of significance are ARM, Virage, and a host of smaller ones like DSP IP vendor CEVA and Microprocessor core vendor MIPS.

Third, this combined industry should then merge with the Semiconductor Equipment industry, providing a seamless "Chip Infrastructure Portfolio". Who ought to merge with whom will depend on how the First and Second steps pan out. Key questions like who gets Calibre, Mentor's DFM franchise, will determine a few of the follow-on steps.

Finally, the Packaging Foundries need to be worked into this consolidation process, as a highly strategic piece of the Chip Infrastructure Portfolio. With chip packaging becoming more complex, the Amkors and Chip Pacs of the world have become eminently critical pieces of the equation.

Bottomline: Incremental steps have got us this far. They won't suffice in the longer term. Bigger, bolder moves are necessary.

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### About the Author

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