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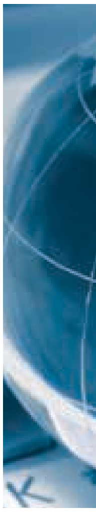

red herring

Special Edition 2014

C O N T E N T S

this issue

top 100 awards

In this issue the Red Herring Top 100 awards highlights the most exciting startups from Europe and North America. Hundreds of companies from both regions were reviewed in a rigorous 3-step process. Congratulations to all the winners.

features

SPECIAL EDITION VOLUME 2 FALL 2014

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Letter from the Editor

Embracing Diversity

Thirty years ago, when I arrived at Stanford University and moved serendipitously to Silicon Valley, orchards could be seen all over. The rare office complexes beyond Palo Alto neighbored countryside shops, whose owners had settled there for decades. Freeways were empty all day long. Engineers, many of them trained at HP, Varian or National Semi Conductor, sporting beards and long hair, viewed themselves as a cast with their own code of conduct and social norms. Managers and salespersons wore ties. Apple had just launched the Macintosh and a youthful Steve Jobs, with his famous bow tie, was seducing America with his boyish wunderkind looks, adding another act to his legendary journey. Technology had initiated its ascent within the economy but barely represented more than a vibrant sector, full of personalities and tales. It was a marginal but fascinating world where mammoth corporations such as IBM, Ford, Corning Glass and ATT ruled and defined the standards.

Left: Prune Orchard near Santa Clara, California. The valley, named after the Spanish Mission Santa Clara, was for a time known as the Valley of Heart's Delight for its high concentration of orchards, flowering trees, and plants. Until the 1960's it was the largest fruit production and packing region in the world with 39 canneries.

Right: Silicon Valley today after the tech boom

Fast forward to today and tech has become the foundation of modern economies. Dominic Barton, McKinsey's CEO asserts that "technology moves four times faster than management," hence executives must find ways to adapt to constant radical changes, from business processes to cybersecurity.

The addition of 2.5 billion third world consumers who never sat at the table before, enhances today's complexity. The majority of new cell phone users come from Nigeria (slated to rank among the Top 20 biggest nations in terms of GDP soon), Pakistan or Burma and the western world must cope with that change before it is too late. China has already relocated over one million permanent workers to Africa, toiling in mines and agriculture, elbow against elbow with the locals. To go even further, one could say that tech is the economy, not only because of its weight, but also because it underlies the success of all other branches and sectors.

Orchards have all but disappeared from Silicon Valley, now adorned with futuristic buildings. Engineers brought up in Sri Lanka, Moldova or Germany outrank their American peers. Globalization is in effect in the valley's labs, every day. Among the largest technology IPO's we can count not only Alibaba's $25 billion splash, but also renowned successes like Yandex from Russia as well. Why then is so difficult for diversity to take hold?

Diversity is a must. Women are at last, entering, too slowly into executive suites and Fortune 500 top jobs. IBM has asked Ginny Rometty to lead its destiny and save it from irrelevance, not a second too soon. At Pepsi, General Dynamics and GM, boards have cast historic choices breaking the glass ceiling. Among U.S.-based tech start ups, the number of Asian-born CEOs has doubled in the past fifteen years, reaching 30% in 2012. A staggering transformation. Nevertheless other minorities have not benefitted from the same advancement and this justifies why civil rights leader Jesse Jackson is so adamant to get the message across to top tech leaders about urgency.

In a globally integrated and interdependent ecosystem, diversity is the right thing to implement, for both business and social reasons. Only proactive policies and awareness will push top CEOs to make it a priority. In venture capital, women, latinos, and blacks do not account for more than 10% of partnerships, a sad heritage of an overwhelmingly incestuous industry. Just ask Vinod Khosla, a pioneer whose successes paved the way to many of his Indian-born followers. At the end of the spectrum the limited partners, the ones who finance the innovation food chain, endowments, funds of funds, insurances or pension funds have kept the door closed to minorities until today, with a handful of exceptions. Public authorities are indirectly endorsing such behavior until the pressure mounts and the press reveals the ugly statistics. Now is the time.

Tim Cook's recent groundbreaking short essay about his personal life will resonate across the world as a waking call. This uniquely courageous statement has weight because it is penned by the one of the few men who earned Steve Jobs' approval, and who has proven him right in his choice as a successor, leading Apple to shine time and time again.

Globalization and diversity go hand in hand. Doing business in emerging Africa or South East Asia requires not only to travel on site and understand customs but also to build local teams whose cultures, history and religions differ from Western values. Tech has shown that we can trust users to blossom with new concepts and carry them to new height. In so doing, every entrepreneur and tech firm participates in a better future for billions of silent voices. In contrast, in some countries, politicians or religious leaders are cutting off Twitter, Google and computer education to avoid giving more power to their people. The battle for diversity goes far beyond Western boundaries. It is time to switch gears, fight for universal dissemination of knowledge and true meritocracy at all levels. The world need talents, not bigotry.

Alex Vieux,
Editor-in-Chief and Publisher

TOP 100 WINNERS:
EUROPE
The Best and Brightest of 2014

This year's Red Herring Top 100 Europe winners have all battled through tough conditions to thrust themselves into the limelight. Europe continues to struggle from one financial setback to another, and investment has been hard to come by for the average startup. But these are no average startups, and that is exactly why they have made it to where they are today.

The list of 100 winners includes companies from all manner of industries, and all over the continent. Some have tackled crucial health-related problems, others have sought to make business more efficient, while more have focused on the future trends of technology such as big data analytics, Internet of Things and mobile infrastructure.

Although the companies are all at different stages of their lifecycles, they are all winners to have reached as far as they have, and to have shone so brightly with the potential seen by the Red Herring judges. The winners have taken on the tough economic climate in different ways. Many of this year's winners have foregone funding and made it on their own. Others have attracted investment from the U.S. and Asia, while some have enjoyed funding from home, either through VCs or government initiatives.

There is some hope for better conditions on the horizon as well. In the U.K. for example, the amount of money invested by VCs into the technology sector this year had already beaten last year's figure by the third quarter. The International Monetary Fund (IMF) predicts the U.K. will enjoy the strongest GDP growth rate (3.2%) this year of all of the G7 nations, including the U.S. Meanwhile in central Europe, young up and coming cities are starting to build technology havens for bright, innovative companies.

The Red Herring Top 100 Europe winners are a standout group of companies, each marked with the unmistakable hallmarks of success. They all share certain qualities, such as a disregard for incumbent systems and technology, a passion for innovation and a never say die attitude that allows them to break through the barriers put in front of them. Many of these companies will expand beyond Europe into the U.S. and Asia, and many already have. Either way, they will look back on their beginnings with a sense of pride that they were the companies that made it. Each and every one of them are companies to look out for in the future.

2014:

TOP 100 Technology Companies

Europe: A-Z

ActLight
Actual Experience
adQuota
Adra Match
Adways
agnion Energy
Agnitio
All Square
Annelutfen
APATEQ
AppGyver
Appical
AppLift
Audio-3D Labs
B.I.S. Advanced Software Systems
Bewons
Bionext
Bizagi
BizOnRate
Bonnyprints
boolino
Cambridge Broadband Networks
Canonical
Checkmarx
Chelsea Apps Factory
Choice Technologies
Cloud9 Communications
Codership
Crimtan
Crossject
Crowdynews
dacadoo
Direct2Internet
DynAdmic
eSellerPro
Essence
Extreme Reality
Fact-finder.com
Famoco
Feedvisor
Fenergo
Hibox Systems
Hoodin
HopitalWeb
idemama.com
Infectious Media
ininal
InnoTel
inRiver
INSOFT Development & Consulting
Invesdor
InvoiceSharing
IXL PremFina
justAd
Komfo
Madgic
Maeglin Software
Magisto
Mangopay
MassiveImpact
MessageBird
mobiLead
mobilike
Movea
Musement
Nanoplas
Nexstim
Nexthink
Nexway
NGDATA
Omada
Parantez
PayTop
Piceasoft
Pitcher
Pontis
Progenitor
Rated People
Recite me
Safer Place
Secure Mailbox
SGP Technologies
Simplifydigital
SingOn
SN4Mobile
SoftKinetic
Sol Voltaics
Sopsy
Starmind International
Swyx Solutions
Tasit.com
Teads
Teevity
Tespack
The Institution
ThetaRay
Tikle
TranslateMedia
Unicheck
Valopaa
VeliQ
videantis
VisionsConnected
Vivocha
Webforum Europe
Weroom
Withings
XbyMe Global
Zertisa

ActLight

www.act-light.com

Serguei Okhonin

Other

Switzerland

No

» ActLight produces dynamic photodiodes (DPDs) and smart solar cells. The first product has applications in proximity sensors, gesture control sensors, light data transfer and will be utilized in 3D cameras in the near future. The smart solar cells will work in small solar modules. Leveraging this innovative and proprietary technology, the company sees potential for explosive growth in different verticals such as mobile technology and medtech.

ActLight's products sit at a specific sweet spot that co-founder and director of sales and marketing Fredrik Uddegard says must be "innovative and new, difficult enough to make and understand that people will pay for it, but not so complicated that the business must wait 15 years before the market sees that tech's arrival".

ActLight's offerings are different from competitors' in that they are high-sensitive, low-power, and seamless to integrate - a priority for the company. The company's technology is licensed out to manufacturers. "You can't just come with a new innovation and assume that [customers] will change all the factories where they produce electronic sensors just to adopt our technology," says Uddegard. "It's the same [as] you can't come to Coca Cola and ask them to produce a new kind of bottle."

Twenty to thirty players serve as first-string competitors – and also potential partners – to ActLight in the space. "Their technology is an order of magnitude cheaper, smaller, energy efficient, better than their competitors," says startup CTO, entrepreneur and ActLight investor David Brown.

The company monetizes by licensing its products, earning an upfront fee and royalties for the times its intellectual property or tech sells inside a silicon chip or device, says Uddegard. ActLight also receives revenues from optimizing its partners' technology, enabling customers to deliver the company's technology to diverse markets, and helping them incorporate ActLight's products into chip designs.

Despite the massive need for this technology in mobile devices and more, ActLight says that last year, the industry's star burned a little less brightly. Investors and the market focused more on software and services, and a struggle for attention ensued. However, Dr. Sergeui Okhonin, the company's CEO, says this obstacle could be viewed in a different light. "If you managed still to raise money and make some progress in hardware it means you probably have some really good technology," he asserts. "From this point of view it's also positive."

Uddegard says a new, more favorable wind is lifting the industry. Mobile app companies have come to prominence in massive numbers, but now seek a way to set themselves apart from the crowd. As they seek to secure a competitive edge, they have been combining hardware and semiconductor design with software and cloud services. Enterprises moving with this trend have seen tremendous success. Google spent $3.2 billion on its acquisition of Nest Labs, a company that provides smart devices like thermostats capable of Internet connectivity. Facebook picked up Oculus Rift, a company delivering virtual reality technology. Deals like this point to an upcoming revival for hardware enterprises, says Uddegard.

The company has raised two rounds from angel investors, who aided the company with advice and a network. ActLight will seek further investment in the future, most likely from sources outside the company such as VCs.

Medtech, sensors and gesture control are expected to be the three areas that will see major growth in the next few years. ActLight has emphasized its IP and stands now in an excellent position to leverage its proprietary tech in expanding verticals, Uddegard says. It will soon start shifting products via its first licensing partners, at which time the company's currently modest revenues will begin to scale. By 2016, ActLight sees itself crossing into profitability and will target expansion in the U.S. and Asia. The more smartphones and connected devices that hit the market, the bigger the need ActLight will have to fill. And with industries like Internet of things and wearables just revving up, prospects look good for the company. RH

Actual Experience

actual-experience.com

Dave Page

Internet/Online

United Kingdom

Yes

» In any brick and mortar industry, the supply chain plays a key role. Even a company with an incredible product, such as a new car, phone or computer, relies on an efficient supply chain to ensure the product reaches the end user promptly. However, in the digital world, less emphasis is placed on the supply chain, and in the case of apps and services, it can be taken completely for granted.

Actual Experience, a Bath, U.K.-based company, has made great strides in addressing the supply chain needs of the digital world. The firm gives digital companies the ability to properly manage these supply chains and bring them up to the standard of logistical operations we see in the brick and mortar world.

The performance-related tool market in which Actual Experience operates is a crowded one, and large vendors such as IBM and Hewlett Packard have offerings in the space. Gartner research puts the market at $13 billion per year and growing. The company's market opportunity could even be much larger, as it doesn't rule out any business in the world with a digital presence or even an ambition to have one.

Co-founder and Chairman Dave Page says the company has a unique offering. "We believe we are the only company that can do this. There is an adage that if you can measure something you can manage it. And because we are able to measure the most important thing, the human experience, we can subsequently manage the digital supply chain to improve the digital quality."

Actual Experience was founded just over five years ago when Page talked over co-founder Professor Jonathan Pitts' research and how to potentially commercialize it. In February this year the company went public on the London Stock Exchange and raised £4.5 million ($7.6 million).

The company's success is in part due to its distinct way of approaching the analytics problem. "Our unique selling point is that we are the only performance related tool in the world that is able to put the voice of the customer at the center of digital quality and manage digital supply chains accordingly," says Page.

The main challenge Actual Experience faces right now is coping with growth. Its clients vary in range from SMEs to global blue chip firms. Although this represents a fantastic opportunity for the company, it also requires great resources and commitment. The funds generated by the recent listing on the London Stock Exchange are being invested into more resources to help manage the growth Actual Experience is enjoying.

One of the company's success stories is Charles Stanley, a stockbroking and investment managing firm based in the U.K. The Actual Experience analytical tool managed to accurately pinpoint the digital performance problems the company faced. Michael Bennett, ICT Director at Charles Stanley said: "Intermittent problems are always the hardest to resolve. Technicians are proud of what they do, and are loath to accept that their part of a system is causing problems, especially when it can't be reproduced or 'proved'. What Actual Experience offers is the ability to identify specific system behaviors that affect human experience, which cuts through the problem of identification."

Actual Experience has an impressive list of clients and offers a unique analytical tool which can be vital for the ever-growing digital economy. The firm's successful IPO in February has given it the opportunity to grow significantly, and in an expanding market, it seems inevitable the company will continue to make rapid and sustainable progress. RH

adQuota

www.adquota.com

Michael Buch Sandager

Mobile

Denmark

Yes

» Last year, global mobile advertising spending rocketed 105%, according to an eMarketer report. That placed the market value at $17.96 billion. Next year that figure will rise another 75% to $31.45 billion, meaning that mobile will account for a quarter of all digital advertising spending worldwide. An additional report by Global Industry Analytics claims that the same market will reach $83.4 billion by 2020, driven by giants such as Facebook and Google - and the ferocious increase in mobile penetration in established and developing markets. Now, even Somali goatherds make deals with their smartphones: when it comes to mobile, growth is astounding.

AdQuota is a Denmark-headquartered firm with a pan-European outlook. It already has offices across Scandinavia, U.K., Poland and the Baltic states, where it helps publishers of mobile websites and applications generate revenue streams from mobile publications - promising to create rich and engaging mobile experiences. AdQuota reaches 35 million readers and app users per month.

Little surprise, then, that Copenhagen's

VC giant Northcap saw fit to invest $3.5 million in AdQuota this January, which CEO Michael Buch Sandager claims will help it make acquisitions across the continent and become attractive to outside investors. The firm currently employs 60 people, and recently acquired Spanish mobile ad network MobiTargets.

"Organization is key," says Buch Sandager, whose company's $15 million revenue this year has outstripped last's by three times. "The way I see it, in the Euro ad space, there's bound to be consolidation. There are a few companies doing what we're doing, and have started doing acquisitions across the world. They have more money so we have to be smarter than them! This consolidation will continue for the next two years, and we want to lead that consolidation strategy."

The company is close to breaking even, claims Buch Sandager, and day-to-day operations are funded internally. He is looking to the premium space, rather than the performance space, for optimal growth. Buch Sandager says that mobile ad players in Europe are usually small and limited to one country. "But it's difficult to be small in advanced tech," he adds, "so many of these companies grow to a certain size then realize it's hard to be alone."

AdQuota's strategy of premium-only, rich media-driven services is not alone in the European market. Companies such as Adsmobi and Smaato are already taking advantage of the $1 billion market across Europe's 'Big Five' - the U.K., France, Italy, Spain and Germany. But Buch Sandager is adamant that his company's strategy of acquisition and premium offerings can corner that market, and soon. "We're providing a revenue stream for publishers - innovation on the high end."

"We want to create a pan-European company, then we can be attractive to a U.S. buyer who wants to enter the Euro market," adds Buch Sandager. "In the U.S. there are 25-30 companies doing the same, and they're all struggling. Mergers are occurring everywhere. In Europe we're talking to a lot of different companies. So U.S. companies will have to buy to enter the market here." With investments coming in and companies being bought across the continent, AdQuota will be hoping it can pounce on an industry experiencing an unprecedented boom. RH

Adra Match

www.adramatch.com

Martin Thunman

Cloud Computing

Norway

Yes

» In transaction heavy sectors, particularly finance and accounting, companies devote significant manual resources to reconcile and organize large pools of data. For some employees, Microsoft Excel and tedious spreadsheet work is the bane of their working day.

Indeed, the founder of Adra Match started the company in Norway in 1989 after experiencing first hand the inefficiency of using manual resources to reconcile the endless amounts of transactions at a large bank. With 'Adra' standing for 'administrative rationalization', the company provides a software platform designed to automate the process of reconciling data and transactions. The company's transition to the cloud and its SaaS solutions put the company at the forefront of a movement to revolutionize and streamline the way the finance and accounting sectors operate.

One of Adra Match's primary products, Adra Match Accounts, now handles a combined 1.1 billion transactions a year. More recently, a new flagship product called Balancer is designed to streamline the financial monthly-close process and provides a real-time overview of the balance sheet reconciliation process. "With Balancer, our monthly financial reconciliation and closing routines are improved and well-defined," said Robert Erkers, the finance manager of Toyota Financial Services and a client of Adra Match. "It also simplifies our working routines thanks to the approval workflow process," he explained in a recent CIO Review.

Having served the industry for more than two decades, Adra Match has established itself as a top software provider to companies requiring more efficient financial processes. CEO Martin Thunman says 99% of potential customers in the industry use no software and match financial transactions manually, leaving a yearly market opportunity of $2 billion waiting to be mined.

Currently, the company is still very much Scandinavian with its customer base primarily in countries like Sweden, Norway, and Denmark. But Adra Match is looking to expand significantly. A few years ago, when Thunman became CEO, he established a new vision for the company, to take it from a Scandinavian enterprise software company to a global cloud software service vendor.

With an average growth rate between 10-20% Adra Match has been profitable for a while, but Thunman sees the opportunity to reach annual growth rates of 50% in a couple of years. The business model means 90% of revenue is brought in from the annual recurring fees charged for the software platform. With a staff of about 70 people, the CEO plans a growth strategy propped by four pillars: geographical expansion, the shift into the cloud, the release of a new product, and the attempt to challenge the typical enterprise sales model by building partnerships and making friends in the marketplace.

For the past few years, Adra Match has been self-funded with no VC involvement.

While Thunman allows that some extra capital might be beneficial for execution, the focus now is on international expansion. Already this year, the company has plans to dispatch product experts and start building a team in their major market, the U.S.

Moving forward, the company's biggest obstacle is raising awareness in the marketplace that such software exists and can revolutionize the way financial processes are carried out. "People are not aware that there is a different way of doing things," Thunman argues. "But once we get them to the table, we get a lot of attention and a high win rate on the deals. So that's the major challenge, and why it's so important to build a good partner network and be collaborative in the marketplace."

Adra Match strongly believes that finance and accounting organizations are under pressure, and its mission is to help them free up time for more strategic and value-added activities. If the company can succeed in educating the market, then the growth possibilities are astronomical and manual Microsoft Excel work could one day become obsolete. RH

Adways

www.adways-studio.com

Jacques Cazin

Cloud Computing

France

Yes

» "It's the great ad-sales battle of our time," boasted the Wall Street Journal this May: web publishers' attempts to snatch some of the $68.5 billion companies will spend on television advertising this year. The fact that even that snippet of info was delivered via an online video, and prefaced by a web commercial, shows how far down that road we are.

Coming in with a creative offering is Adways, a Parisian firm specializing in interactive video advertising. Brands such as Decathlon have already been wooed by the company's package, which includes the embedding of clickable information such as the racquet used by a tennis player, or the t-shirt worn by a clothing model.

Interactive video click-rates are 11-times higher than classic video ads, says Adways: no wonder the firm is viewing 2014 as a year of increased expansion, after a certain California-headquartered outfit inspired the progression of a long-held idea.

"It was an early morning on July 20, 2010," explains CEO Jaques Cazin, "and it was very simple: the iPad was being launched, and we saw something very interesting. People were starting to click, to touch, in a way they hadn't done before."

Adways had a giant market to attack and changing consumer trends. But the product? That wasn't so easy. "To be honest it took us two years longer than expected," adds Cazin, whose company has relied on just $1 million of VC funding until now. "The studio we have today, working on a SaaS platform, took us ten years - which is a lot for a startup." At the beginning each video was taking Adways three weeks, "like a pret-a-porter (offering)," adds Cazin.

Part of the difficulty was creating a tool that was agnostic from navigator or computer. Adways can now be used on Mac or PC, Firefox or Chrome - or more. "We started in an artisanal way, building our tools," says Cazin.

Today, though, that patience appears to have paid off. The company has attracted $3 million additional funding, which will be in its coffers by the end of this year. Adways Inc. has opened an office in New York City. And Cazin's charges are actively seeking sales reps in Florida, Los Angeles and Canada. The aim is to add seven regional heads by December 31, hence the funding spree. "If you want to hire six or seven guys in the U.S. you better have large pockets!" says Cazin.

But despite the growth of the business, Cazin is careful not to lose that artisanal touch that has served Adways so well. "With the Adways tool, the U.S. is scalable," he says. "We have a really interesting tool now. But I still keep a team of experts, because people always want specific features we don't have on the SaaS platform."

Companies such as InMobi and InnoVid will continue to capture a big chunk of the interactive market. And Cazin is quick to assert that his is not a "revolutionary company." But the ideas, and funding, are good. And with a 2014 that includes expansion into the U.S. market, Adways' artisanal approach to interactive video advertising may pay dividends. RH

Agnion Energy

www.agnion.de

Julien Uhlig

Clean Tech

Germany

Yes

» In many parts of the world, energy costs have risen to potentially crippling levels. Soaring production costs continually hamper consumers from getting vital heat and electricity. However, more efficient and cost-effective solutions exist, and one potential answer is soon heading to these struggling regions.

Agnion Energy GmbH, based in Saxony, Germany, helps people get access to nergy by delivering "decentralized bioenergy plants." The company's products take biomass and organic matter, and transform it into energy.

The company markets three products: a 20kW, a 90kW and a 400kW power system. The first generates enough electricity for either a 10-family house, a small office or an industrial shop, explains CEO Julien Uhlig. The second is destined for markets primarily outside of Europe, such as Asia and Africa, and can power a small village, he continues. The company's proprietary offering is called Heatpipe-Reformer technology.

Agnion serves numerous markets split into two distinct groups, the first of which is Europe – specifically, Germany and Italy – where the company's solutions help consumers cut costs on energy bills. Developing markets, particularly in Africa and Asia are the other main customers. Currently, Agnion is targeting the Balkans and Russia, though discussions have not been easy for reasons that have less to do with business and more to do with a tense political climate. In these emerging areas, the company doesn't compete with modern electricity providers, but with legacy producers that keep the lights on at a huge cost to a user, such as diesel generators.

Both markets reside in the greater biomass industry. Industry publication EL Insights, reported in 2010 that by 2015, the worldwide biomass manufacturing space would swell to a $693.7 billion opportunity, up from $572.9 billion five years prior. That represented steady growth with a CAGR of 3.9%.

The majority of electricity comes from turbines, Uhlig explains, but making energy requires large moving parts and the smaller the provider, the less efficient it gets.

This is where Agnion believes it differentiates itself from competitors. "We have two steps, we first generate a gas and then run a gas engine, not a turbine," Uhlig says. "So even when they're much smaller we can have much higher levels of efficiency than you could with a turbine."

Agnion's beginnings come out of the Technical University of Munich, where the technology behind its Heatpipe Reformer was dreamed up. Now, 30 patents have it covered. "Based on its success and excellent results, support and development programs for a total amount of €3.5 million were approved for its technical implementation," according to Agnion. The company got its start in 2007 when the business side of the operation began. The company had previously secured €35 million in funding from blue-chip investors Kleiner Perkins Caufield & Byers, Wellington Partners, Waste Management, Inc. and Munich Venture Partners.

Currently demand is exceeding supply for Agnion, which cannot at this point hope to serve the number of requests for its technology. The primary challenge is therefore scaling up to satisfy the masses clamoring for power. "That's the next step we need to take from being an engineering company, a developing company, to actually going into international market rollout," says Uhlig. To expand and reach all the customers it needs to, Agnion partners with GEA Group, another German company that Uhlig says turns over about $6 billion yearly. The company is currently looking for €12 million in VC backing. That capital will support the company as it prepares for an initial public offering in Frankfurt, says Uhlig.

Agnion was acquired by the ENTRADE Group in May of last year from its investors. Only Triple Point Capital remains as an investor. After the transaction, ENTRADE pumped in its own capital, says Uhlig, also the chief executive of the holding company. Revenues for the profitable group were about €2.6 million in 2013. Uhlig says that in ten years he sees Agnion delivering solutions to a few thousand customers around the world and its technology becoming the standard product that people can buy off the shelf. With the company's energy and heat products, he believes power producers can move from being luxury items to become household norms.

Agnitio

www.agnitio.com

Morten Hjelmsoe

Software

Denmark

No

» Agnitio is no novice when it comes to closed-loop marketing: the Danish company, which also has offices in the U.S., Brazil, China, the U.K., Mexico and Japan, has been in the business for over 13 years, providing its services for the life sciences industry - and only the life sciences industry.

First, to the lay reader, closed-loop marketing is that which relies on data from closed-loop reporting. "'Closing the loop' just means that sales teams report to marketing about what happened to the leads that they received, which helps marketing understand their best and worst lead sources," writes tech expert Pamela Vaughan.

"To be an effective marketer, however, you need to be able to tie every single lead, customer, and dollar back to the marketing initiative that created them," adds Vaughan. "This is how marketers can prove their worth and understand how to more efficiently reach their audience."

Agnitio serves customers in over 80 countries and 25 languages, proving its expertise in the field. Last year, the firm achieved 13,000 new licenses for customers including Bayer and Amgen. And the number of agencies using Agnitio's CLM leapt to 180. Customer support was also working hard, with 99%, or 8402, of requests solved.

But that was last year. 2014 has been the year of Rainmaker, Agnitio's new software, that it claims offers "a completely fresh approach to communication." The product required over 20,000 man-hours to create, according to CEO and founder Morten Hjelmsø. "It's a major leap forward for us - and the industry," he says. "It moves the boundaries of CLM and shifts the focus from the sales reps to all stakes holders by using all available communication channels."

By Rainmaker's Barcelona launch in March, it had already gathered almost 400 signups. Hjelmsø is pleased with progress, and says that the company's very ethos is to continue growing and adding new companies and agencies. "We are also dedicated to providing our high-value insights to our partners so they can receive the optimal value out of the data they are pulling back through the technology, in order to maximum their return on their investment in us and our technologies," he adds.

In April 2012, Agnitio separated its content development business, Anthill - which focusses solely on the creation of new leading CLM solutions. And come the end of 2014, Agnitio expects revenue growth of almost 100% from last year, on a company that, from inception, has been completely self-funded. "The traditional CLM market is maturing, but still reflects healthy growth," says Hjelmsø. "It is an attractive sector for a number of specialized, as well as large players, who are entering the traditional CLM domain.

"Our focus as a market leader is to constantly evolve the market through the creation of new opportunities," he adds. "We are optimistic about our, as well as the industry's, future." RH

All Square

www.allsquaregolf.com

Patrick Rahme

Internet/Online

Luxembourg

No

» Golf is widely recognized as one of the more relaxing and pleasant ways to network. Given the sport's nature to connect people, and the highly valuable industry it creates, it is a wonder that nobody has previously attempted to create a platform for the world's golfers. But now All Square has done just that.

All Square founders Patrick Rahme and Arthur de Rivoire are no strangers to the sport. Rahme is a scratch golfer who regularly represents Luxembourg in the European Championships, while de Rivoire represented the Swiss national team over several years, and still plays at an amateur level. "Both of us felt that the golf industry was massively fragmented and needed to be unified," explains Rahme. "So we started brainstorming different ideas of what a core golfer like us who travels a lot and makes a lot of connections would need as features that are not available today."

From those ideas came All Square, a platform that connects golf lovers for free. The site currently has over 20,000 listed courses with more being added daily. The company is steadily forging partnerships with golf clubs, associations and professional players. All Square is partnered with Troon Golf, one of the largest golf management companies in the world, an agreement which allows the platform to connect with Troon's large database of golfers. The company has also secured a deal with the Scottish Golf Union, which gives it a foundation on which to build in Scotland, a country with a gigantic tourism sector centered around the sport. This was highlighted in a recent Scottish Golf Tourism Strategy, in which Fergus Ewing, Minister for Energy, Enterprise and Tourism in the Scottish Government, explained in a foreword: "As 'The Home of Golf' – and with so many prestigious tournaments happening here – Scotland is ideally placed to capitalize on its unique position as a diverse and high quality golfing haven."

Scotland will be the first major market the platform will address, in part due to this year's Ryder Cup being held in the country. De Rivoire is now located in St Andrews, Scotland, while Rahme is set to move to develop the second regional market – California.

The company is currently testing several business models. One of these is to allow golf course managers access to a dashboard which has been built to enable communication to members. The next step is to allow the managers to target a larger audience of golfers with travel packages. In both cases the course managers would pay a monthly fee to use the dashboard. Rahme is also considering allowing members to book green fees directly via the platform and is also using conventional advertising and sponsorship revenue sources.

All Square is currently focused on having experienced golfers on the platform, but will open the social media site up to more casual players in the future. "We're starting by developing a community of core golfers because they write the better reviews and understand the game better than a beginner, but we'll incorporate beginners in the next step. The focus isn't about educating a golfer, it's about having educated golfers on our platform," says Rahme.

So far, the company has raised a seed round of €130,000 and an Angel round of approximately 250,000 Euros. Now All Square has embarked on another round of fundraising, and aims to secure a cash injection of between €1 million and €1.3 million. Half of that sum has already

been raised, and Rahme says the company is now looking for investment from the Luxembourg government.

The golf market is enormous, especially when including the construction and equipment sales aspect of the sport. Should All Square succeed in bringing together this vast yet fragmented industry, the company would be on course for spectacular success.

Anneluften

www.annelutfen.com

Roys Gureli

Internet/Online

Turkey

Yes

» E-commerce in Turkey is about to get very big, very fast. And those already established in that market, are well placed to take advantage.

Annelutfen.com provides a platform for buying baby products via the web in Turkey and the relatively small amount of people online there is poised to grow. About half of Turkey's population is younger than 30 years old, and the country ranks as Facebook's fifth-largest audience, according to Roys Gureli, CEO of Annelutfen. With an Internet-savvy populace getting older and having children, the company is well positioned to take full advantage of the increase in web users.

Anneluften provides an accessible platform for consumers to shop online for a range of baby products. It concentrates on delivering a seamless consumer experience that makes shopping easier for parents that have very little time. Gureli explains that Annelutfen has also debuted Turkey's first re-ordering service, which populates products into a shopping cart for registered users. The company is working on incorporating saved payment information into the platform so that the buying process is narrowed to just one click.

City-based parents seeking out baby products face the dilemma of tackling crowded streets and high gas prices, while rural families can't get what they need, Gureli asserts. The largest offline retailer in Turkey boasts 40 stores, but the country has more than 80 cities within its borders. So while international brands such as Pampers are known, many struggle to purchase them.

"Both the urban and the rural parents are looking for a one-stop shop to buy all their basic needs," she adds. Meanwhile, with Annelutfen, products ordered online and are delivered within one to three days.

Gureli gauges the baby offline retail market at $6 billion and its online counterpart at $50 million. She anticipates, with penetration escalating, that segment to grow from $50 million to $800 million – an opportunity her company seeks to capture $100 million of in the next five years. As the market's second-largest member, Annelutfen has already tapped 35,000 consumers, with nearly half of monthly orders stemming from repeat buys.

Stanford University-educated, Gureli, began the company to help women and in doing so has already secured $2.3 million with backing from both Ventech and Safa Rashtchy. She says that her enterprise is now looking to secure $3 million in capital in a bid to break even. Gureli sees profitability coming within the next 18 months.

The company competes with legacy offline baby retail providers as well as online alternatives such as e-commerce clones of Amazon and Zulilly. But Gureli's company hopes to stand out based on its flexibility and the quality of service provided. One brick-and-mortar retailer with 24 stores and an online offering, says Gureli, can't compete on price because lowering ticket costs for consumers would lead them to cannibalize their own business. That company also offers a limited variety of products, while Annelutfen leverages 12,000 stock keeping units (SKUs). Flash-sales-centric, Zullily lookalikes run into the same problem as offline challengers – they don't bring as many products to the table as Annelutfen. Meanwhile, Turkey's Amazon copycat is better recognized for delivering customers the best of electronic and household goods, says Gureli.

At this point, the Turkish market seems almost at a tipping point; soon the floodgates will open and Annelutfen's market should grow in leaps and bounds. But one obstacle remaining in front of the company is awareness. "Our biggest challenge is educating the Turkish customers to shop online," says Gureli.

Gureli puts the company's growth at 15% per month. Its next targets include Turkic nations such as Kazakhstan, Uzbekistan; Eastern European markets including Belarus and potentially Russia; as well as Northern Africa. Soon, Annelutfen could be making what some call the world's hardest job easier on an international scale. Audrey Soussan, an analyst at Ventech, sees a bright future ahead for the company. "Annelutfen has many options to grow," she says. "At Ventech, we bet a lot on international expansion."

APATEQ

www.apateq.com

Bogdan Serban

Clean Tech

Luxembourg

No

» The oil and gas industry has forever been under scrutiny for its environmental impact. Therefore it is no surprise that any technology able to reduce the ecological footprint of the sector garners huge attention. Oil and gas operations, and hydraulic fracturing in particular, require and produce substantial amounts of water. And environmentally conscious energy firms are seeking ways to treat that water and reuse it any way they can.

Apateq offers a solution to treat the water produced during the oil and gas extraction process. This water can then be reused for other purposes, or in the case of offshore operations, pumped safely back into the sea.

The company uses membrane technology to treat the produced water. Typical costs of treatment vary between $3 and $30 per barrel, according to Apateq CEO Bogdan Serban, but he says his company is capable of lowering that cost to between 50 cents and $1.50 per barrel. The firm currently sells its technology to clients, but in the future seeks to rent installations and be paid on a volume basis. Apateq has already had orders from the mainstream water treatment sector, which Serban describes as low hanging fruit, but also has a pilot with a major European energy company to treat water from approximately 30 wells.

The oil and gas water treatment market is still fairly open. No company dominates the sector. Meanwhile, stricter regulations regarding water usage in oil and gas extraction may create even more lucrative opportunities for any company which is able to provide reliable and effective technology. One of the major barriers to dominating the industry is the vastly different conditions in which the treatment technology must work. Varying salinity rates between wells mean there is little chance of a 'one size fits all' solution. Serban rates the market opportunity as in the tens of billions of dollars.

"So far every type of water we have needed to treat, we have treated," says Serban. "Our solution is not for everything in this world, but so far our solution has been proven to work on the most difficult produced waters which are the ones from gas extraction, and tested on 30 different wells."

Apateq was founded last year and began operations in June 2013. The company is based in Luxembourg and is currently made up of 12 employees. As of yet it has received no funding but is attempting to attract VCs in the future, in order to enable expansion. Serban says he is targeting the extremely profitable U.S. market and also requires funding to rent equipment to clients rather than selling it to them outright.

In an oil or gas well, more water is produced as it is developed. "In the first year you could have ten barrels of oil for one barrel of water. Seven or eight years later, you have ten barrels of water per one barrel of oil," says Serban. This steady expansion reflects a similar trend in the water treatment industry, and companies such as Apateq are positioned well to take advantage. RH

AppGyver

www.appgyver.com

Marko Lehtimaki

Software

Finland

No

» By 2016 mobile app development spending will reach $100bn worldwide, with a compound annual growth rate of 158%. These days just a fifth of development is for websites: 80% is apps, with 67% of those being outsourced to third parties. AppGyver has, clearly, read the news. The San Francisco-and-Helsinki-headquartered firm offers two products for consumers to build their own apps: Composer and Steroids. The former offers an opportunity to create alongside a visual editor, while Steroids allows one to build with command-line tools.

The traction has been extremely promising. From Q1 2013 the company has managed around 25,000 developers and 13,000 apps. And, as CEO Marko Lehtimaki tells Red Herring, those figures are just the beginning. "In the next 12 months, we're planning to offer more services and products for the enterprise, as well as scale our operations. We've been growing fast, and expect to hit 100,000 developers by the end of the year."

Companies such as Box, Nokia, IBM, Cisco and Deloitte are already using AppGyver's solutions. The business model is relatively simple: AppGyver's platforms are free to use, with developers paying for additional value-adding services. Some are provided by the company itself, while others come courtesy of third parties.

The company is currently funded by $3.5 million of angel capital from Initial Capital and Open Ocean, after a primary seed round from friends and family. And despite weighty competition from the likes of Adobe PhoneGap and Sencha, Lehtimaki is confident AppGyver has the tools to succeed in the market.

"AppGyver is the only platform that allows you to build native-quality apps with just web technologies," he says. "Our core technology makes HTML5 based apps indistinguishable from native apps. This is important, since no one wants their apps to look and feel like mobile websites. In addition, we provide a free end-to-end app development platform, with the right tools for every task: prototyping, bootstrapping initial version of your app, and professional development tools for finishing the app."

The market response, especially to Steroids, has been promising. "You can see that the team put a lot of work into it, and the product feels right," says Paris-based software engineer and technology blogger Marc G. Gaultier.

And with Composer put into beta just this May, it seems that AppGyver is moving along the growth chain more quickly than ever. Its drag-and-drop programming model, which opens up professional-level app development to the uninitiated, "is a growing trend, as developers are in great demand, new computer science classes are springing up in schools of all sizes and numerous efforts are underway to get kids coding at a young age," writes App Dev Trends' David Ramel.

"AppGyver's platform is best suited for apps that are data- and content-driven," adds Lehtimaki. "Basically this means anything but games. If you're building a location based service, social networking service, consumer app or something for internal use in enterprise, AppGyver's platform is designed for you to build awesome apps."

Appical

www.appical.net

Gerrit Brouwer

Professional Services

Netherlands

No

» Starting a job is never easy. On a fresh hire's first day, they might go through orientation, shadow co-workers or receive a huge booklet full of guidelines. But the process of introducing a new employee can be tedious for all involved as well as a waste of company time if ineffective methods are used. Said practices deployed by the human resources department could be a thing of the past however, thanks to technology. And incorporating new solutions can prove lucrative - management consulting company Tower Watson forecasts the HR technology market will swell to $8.1 billion by 2015, according to DocuSign.

Companies such as Appical help new and current enterprise employees figure out how to do their jobs in a shorter amount of time than before, as well as boost their output. Furthermore, with games and more incorporated into its onboarding platform, employees complete the process in a way that is not just more effectual, but fun.

"Their focus is different; it sets the focus on the employee and not on the process like other companies do," says Birgit Gugath, PR and marketing manager at Merapar, an investor in the company. "It's really about the employee experience, and this is sort of a change of perspective that makes it disruptive."

Appical offers a mobile-first, SaaS platform for onboarding as well as some services around consulting and setting up. According to the company, implementing the software can drive costs down by more than 70% and productivity up by more than 50%. The end result, a 300% boost in ROI for employers. Features of Appical's offering include augmented reality, games, videos, and social elements, as well as ways for employees to appraise and comment on the procedure.

The company focuses on banking and insurance, process industries – like pharmaceuticals, oil and gas – and technology verticals. It serves approximately 30 clients, with notable names among them including Philips, Seagate and KLM. These will soon be joined by small and medium enterprises that Appical has added to its list of targeted customers.

Company CEO Gerrit Brouwer and his co-founder, Gerwald van den Oetelaar, found inspiration to start the company in 2011 from their own experiences moving from one career to another. Brouwever was in the military as well as banking and recalls being "very thrilled and enthusiastic to step onboard a new company, and then you have your first day, and basically the disappointment kicks in."

He believes onboarding is complex and critical, but also a major letdown for new and existing workers at an enterprise. Over the last year, Appical has accrued about $750,000 in equity and debt funding. Now, the company is out for fresh capital. Its goal: $5 million to head into new markets, namely the United States and Europe, specifically the Nordics and United Kingdom for the latter territory.

Appical competes with companies in two camps: first, those in the talent management space (recruiting) and the learning technology segment. The Amsterdam-based company's solutions push mobile, but also work offline so that employees in factories, airports, or the military, without web connections, can utilize the products. The company can also shorten the time it takes to implement its solutions; companies can integrate Appical's offering in about a week, compared to more than six weeks with learning management systems, says Brouwer. Lastly, the company's deep knowledge of its clients' needs, evidenced through its services, helps set them apart.

Brouwer says awareness is a large issue in the market around onboarding. “The biggest challenge we have is to get onboarding truly on the executive agenda, so that all the leaders do know that it is a strategic initiative to boost their employees,” Brouwer explains. “Onboarding is to some extent an often forgotten topic, that comes up when it is too late.” With regards to talent, companies don’t know what they have until it has left.

Appical wants to solve this problem for enterprises and is well on its way. Revenues for the platform have nearly hit $1 million. The company is already cash flow positive and sees itself reaching profitability next year, as well as increasing its customer base by around 100% to 60-65 blue-chip companies. In three years, Appical forecasts becoming a $100 million company. On the way, it hopes to be many things to its clients: Angry Birds for introduction, Lonely Planet for employees, a PowerPoint and Force.com fusion fixed to scalability, and a world-class service. With fun at the forefront, as well as generating returns for customers, the company can offer a compelling alternative to reading a thick packet of best practices on day one at a new company.

AppLift

www.applift.com

Kaya Taner

Mobile

Germany

Yes

» It is easy to forget that it wasn’t so long ago phones could only play the most basic of games, and tablets didn’t even exist. But the rapid progression of smart phone technology and the rampant popularity of other mobile devices has given life to the mobile games sector, and everyone wants a piece of it.

The mobile gaming market, worth $9.1 billion globally in 2012, will grow to a staggering $23.3 billion by 2016, according to games market research company Newzoo. It’s precisely that type of growth that has attracted so many developers to the space, and it has become increasingly hard for mobile game developers to attract users to their games and stand out from the considerably-sized crowd. That is where companies such as AppLift can help.

AppLift offers game publishers the chance to boost their user acquisition and re-engagement by enabling them to effectively take advantage of mobile traffic sources. Roughly 90% of mobile apps are free-to-use right now, and of those approximately 40% are downloaded games, according to AppLift CEO Kaya Taner. These free-to-play games need to ensure that they reach a high level of users, and then keep those users engaged in the game for as long as possible.

“We work with over 300 games publishers in total,” explains Taner. “A few names to drop are King, Zynga and Electronic Arts. Our model is a two-sided model; in general, we have the advertiser side where the game publishers invest money to buy new users and we get them from all sorts of media partners. And then we have the media partner side - these are the partners that drive the traffic to the games.”

AppLift is still very young, having been founded in 2012. But the growth it has achieved has been impressive. The company has raised over $20 million in funding to date from Dutch VC firm Prime Ventures, which pumped an initial $13 million into the company in June last year. After AppLift outperformed all the goals it was set, Prime Ventures added to the round with an additional $7 million. The company is currently well positioned and in no need of further investment, according to Taner.

The market in which AppLift operates has the potential to be extremely competitive but is currently at the developing stage where it sees more cooperation. “In the mobile games advertising market we are competing against any players that get marketing budgets for user acquisition from gaming companies. That might be Google or Facebook but could also be other companies,” says Taner. “The market is growing and I think it will get more competitive looking forward.”

AppLift’s biggest current challenge is dealing with growth. The company has a team of over 90 employees and now faces the tricky proposition of accelerating growth while remaining agile and nimble enough for the market in which it operates. Another potential challenge would arise should the platforms on which it relies upon, Google Play and Apple’s App Store, change in the future. This would require a significant shift by Applift as well. However, this type of challenge is only hypothetical and would affect the whole of the mobile market should it occur.

For now, the company is focused on the task at hand, and seems to be leaving the best of impressions on its customers. “We are very happy with the results obtained through AppLift’s LTV optimization technology, with an ROI of 150% after recouping our initial investment, AppLift’s marketing platform is one of our best user acquisition channels,” says Dr. Pascall Zuta, CEO, Europe at Aeria Games.

AppLift has opened two new international offices in San Francisco and Seoul, South Korea over the past year. The company has plans to expand globally during the next 18 months. “Over the next 18 months I see two main things: further internationalization, and to further improve and innovate new advertising technology in spaces such as retargeting user acquisition and monetization,” concludes Taner.

Audio-3D Labs

www.audio-3d.com

Franck Rosset

Software

United Kingdom

No

» Great innovation requires passion. When Jean-Luc Haurais decided to try and improve the sound quality on his MP3 files, he did so out of a love for music. Haurais' algorithm to boost the inferior sounds heard in regular headphones was two years in the making, and he did so almost as a hobby. But now the app that was designed around it has millions of downloads, and has turned into a business of great potential.

Haurais, who is the Chief Technology Officer of Audio-3D Labs, was not just a part-timer tinkering around with an algorithm, however. He has over 20 years' experience in signal analysis and also a background in CPU optimization. This allowed him to solve the problem effectively, and make sure it ran efficiently as well.

"This was more like a hobby because he loves it, and I love it as well," says Franck Rosset, CEO, Audio-3D Labs. "We already had a good background in video codec which is a field with many companies already. So we decided to have fun and go into the sound codec."

When the music industry went digital and the majority of music listened to migrated to MP3, there was a decrease in quality, especially compared to the days of vinyl and speakers. Some headphone designers went about making high cost products in order to solve the issue, but Audio-3D Labs' solution is much simpler, improving the quality from the source.

"We released our first app last year and we have been number one in the States for the music category on the Apple store. We have been number two globally," says Rosset. "It was a release of a test app and the app got millions of free downloads and it got 5 star reviews."

Although the app was created almost as a hobby, Audio-3D Labs now has several strategies to make money from it. "One of the first business models we had was to go to the record industry and propose to them to offer a better sound. So you would download the files on iTunes and they would be more expensive because they are higher quality," explains Rosset.

Another business model the company has introduced is to sell to device manufacturers such as Apple or Samsung, as the software can be embedded into a mobile operating system. The device sellers can then upsell their phones and tablets with the promise of better quality audio on the device. It is a similar approach to Dolby, except Audio-3D Labs' offering is purely software-based and easier to integrate into an operating system or program.

Perhaps the most fascinating part of the Audio-3D Labs story is that the app was designed without commercial purposes in mind. But the company has produced a product that is so innovative, useful and well-built that it is a shame more products are not born out of a similar method. Audio-3D Labs, which is self-funded, only has to strike one deal with a major manufacturer and it will be set up for a very long time, and chances are it won't be long before that happens. RH

B.I.S. Advanced Software Systems

www.bis-solutions.com

Moti Miron

Software

Israel

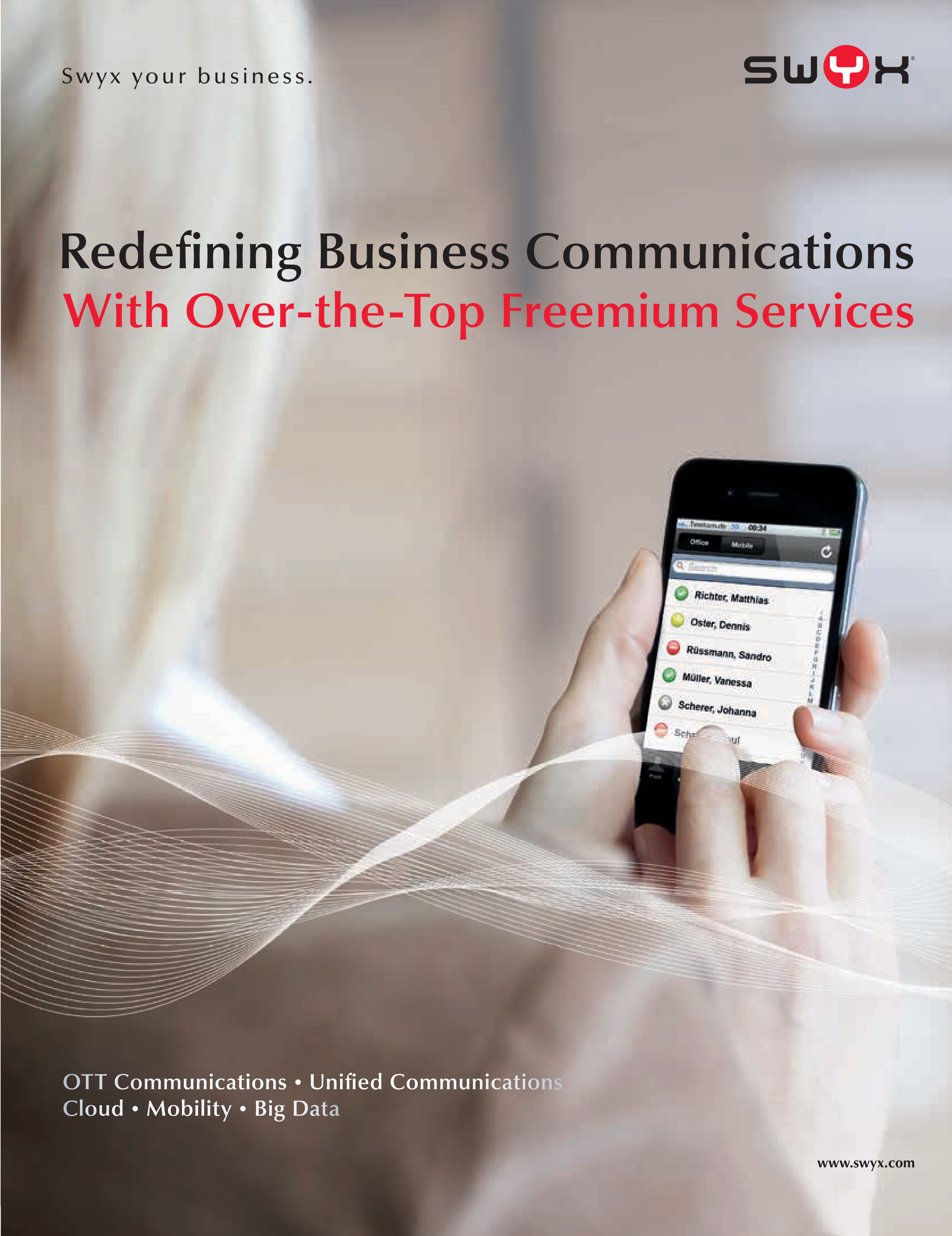
N/A

» Global online traffic has increased fivefold in the past five years thanks to the dizzying array of smartphones, tablets and laptops that now connect to the Internet in households and businesses.

Telecommunication companies and Internet service providers have watched this surge in online media consumption with caution. The demand has forced them to upgrade their infrastructure to meet customers' voracious appetite for bandwidth, with little obvious benefits besides upgraded broadband subscriptions.

The Israeli firm, B.I.S. Advanced Software Systems, is pitching its cloud computing services to these telcos as a way for them to add value for fickle enterprise customers. By packaging the B.I.S Cloudius range of server applications to broadband subscribers, telcos hope to draw users away from using so-called 'Over the Top' (OTT) applications like Dropbox. Instead companies can create and manage their own file-sharing platform based on the Cloudius software.

B.I.S. has a history developing software that becomes widely used across the business sector. In 1987 it created a suite of


Swyx your business.
SWYX
Redefining Business Communications
With Over-the-Top Freemium Services
Office
Mobile
Richter, Matthias
Oster, Dennis
Rüssmann, Sandro
Müller, Vanessa
Scherer, Johanna
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www.swyx.com

applications for sharing data between PCs and servers, called NetPass, which was adopted by multinational corporations and government agencies.

"All our products are developed inside the company, and our latest suite for mobile devices was developed by CEO and General Manager, Dani Glazman. The telecom industry knows our company and we have some advantages over OTT services when it comes to security functionality," says Eliran Sheraz, vice president of sales and marketing at B.I.S.

Another way B.I.S differentiates itself is through its "take your PC" concept for mobile devices. Users can use their tablet or smartphone to access all the files on their home computer and can even stream videos directly from the server. This connectivity between desktop and mobile device is becoming critical to many businesses as an increasing number of employees use their own devices in the workplace.

The major challenge according to Sheraz is keeping pace with the development of OTT services such as Dropbox, Microsoft's OneDrive, and the Europe focused CloudMe.

"We need to engage with this market and take notice of the products valuable to the end user. We need to have a service established for the enterprise customers, based on the needs of large companies," says Sheraz.

Over the next 18 months, the firm is looking to expand into the North American business to business market with its suite of applications for mobile devices. But with competition from established and well-funded incumbents, convincing enterprises customers to switch away from their favorite OTT services will be a tough challenge. RH

Bewons

www.bewons.com

Francesco Ceglie

Social Media

Italy

No

» As the entertainment industry recovers from the damage caused by digital distribution of its products, one area of the music business experiencing solid growth is income from performance rights. According to the International Federation of the Phonographic Industry, a trade body for the recording industry, live performances generated over $1 billion globally in 2013 and now account for 7.3% of total record industry revenue. This was an almost 20% increase from the year before and double the growth rate of 2012.

The Italian startup, Bewons, is hoping to benefit from the rising popularity of live shows with a service that connects performers with venues and booking agents. Users can post open requests seeking a creative talent, such a new drummer or dancers who know the Lindy Hop, while performers on the site submit high quality videos of their acts. CEO Francesco Ceglie describes the process as an "online audition" and aims to create a social network with real financial benefits for its creative users.

"Our big achievement is to have reduced the distance and removed every obstruction between the performer and the audition. By uploading a video, performers can audition all over the world without travelling. This means no costs, no pollution, and the amazing possibility to take part, on the same day, in more auditions in different places around the world," says Ceglie.

Bewons was born in 2012 out of a frustration with how the entertainment industry finds and develops new artists. Its founders saw the number of talented performers whose work was going unrecognized and decided to create a platform to help.

Their response was the "online auditions" model, which Ceglie claims is an industry first, around which the company has built a thriving social network of young creatives. In this sense, Bewons competes with Facebook and Yahoo, but according to Ceglie neither offers Bewons' tailored functionality for performers. Revenues are currently generated by online advertising, but the firm plans to expand into sponsored prize competitions and start charging a fee for the auditions.

An angel investor has funded the company until now, but Bewons is currently looking for venture capital investment to support its expansion into new countries. Ceglie said that the firm's major challenge is being based in Italy, a business environment not well known for its online start-up culture. But this could be about to change, after new laws aiming to boost equity crowdfunding come into effect this year. In April, the software firm Diaman Tech became the first start-up to exploit the new rules, raising 157,780 euros ($217,500) from 65 investors in a three-month fundraising drive. Bewons is yet to tap into this source of funding but is exploring its options.

With the growing appetite for live shows and Bewons' expanding network of performers, the company is confident it can profit while also giving young artists the opportunity to make a living from their work. RH

Bionext

www.bionext.com

Serge Henri Albou

Life Sciences/Biotech

France

No

» Drug development is a costly business. Forbes ran a recent investigation into exactly how much it takes to get a single drug to market in today's world. The results were worrying for drugs companies: $350 million is what each firm can expect to spend, in large part because it takes so long to discover the failure of a particular strain.

"This is crazy. For sure it's not sustainable," Susan Desmond-Hellmann, the chancellor at UCSF and former head of development at industry legend Genentech, told the magazine. Few are more qualified: Desmond-Hellmann led the testing of cancer drugs like Herceptin and Avastin. "Increasingly, while no one knows quite what to do instead, any businessperson would look at this and say, 'You can't make a business off this. This is not a good investment.' I say that knowing that this has been the engine of wonderful things."

Bionext is aiming to drastically cut the cost of failure with a process it calls Lean Discovery. "Lean Discovery is the answer to the always-growing costs of clinical trial failures," the company writes. "The sooner you fail, the less you lose." Bionext's disruptive multi-patented proprietary technology allows professionals to take into account not one target but multiple targets at the same time, whether that is in a specific cell context, or a global one.

"In order to better decipher the molecular mechanisms and pathways behind side-effects, selectivity and efficacy, we have designed a pioneer Structural System Biology approach that can rapidly and accurately identify and characterize new targets of drugs, including molecular assemblies," it adds.

But there's more to that," adds Bionext. "Dropping the wrong compound may help you to keep on and in invest with the right one! Find the most promising hits, and convert them into potential leads. We give you the ultimate 100% digital platform for that: BVS. But we can do far more to protect and maximize your R&D and investments: detect as early as possible potential toxicity or efficacy problems and eliminate the less promising or most dangerous compounds."

Bionext's strength lies in its BVS prediction and analysis SaaS platform, which can be used without the need for any hardware or computer skills. The system is available for as low as $200 to academic research and students, and will be launched in Q4 this year. Bionext has made sure that its products are securely protected against theft, taking out a large number of international patents. And in Serge Albou it has a respected and storied leader in computer technology. They're just two reasons the company's Eurostars project, BioScape, was ranked 32nd in Europe with a $2.45 million budget.

BioScape is "a collaborative project bringing together European leaders in omics, structures and biology research," says Bionext. "Its goal is to redefine the standards currently used in the academic and industry research to accelerate access and sharing of biological data. The UE grant, provided through Eurostars Eureka innovation program, will help financing the €1,8M global budget." Of course, that gong was handily added to with the Red Herring Top 100 Europe Award in Amsterdam.

If the cost of failure is high in pharmaceutical technology, the cost of failing to spot a failure is far, far higher. With Bionext's help, the soaring cost of drug development may soon begin to drop. RH

Bizagi

www.bizagi.com

Gustavo Gomez

Software

United Kingdom

No

» The worlds of business and technology have always enjoyed a prosperous and fruitful relationship. Applying the right type of business acumen to outstanding technology is a surefire path to success, and the same is true in reverse - using cutting edge tech in any company can help improve efficiency, and ultimately profits.

Bizagi, a business process management (BPM) company, aims to provide business agility to its customers without sacrificing governance. Effective BPM implementation gives companies the tools to properly communicate and collaborate within the organization. This allows problems to be addressed in real time, and enables more innovation, understanding and ultimately better efficiency.

But the BPM market is competitive and crowded. Vendors such as IBM and Oracle loom large over more than 50 players. The rewards for success in BPM are clear to see, despite the intense competition. A recent Consideration of Business Process Management (BPM) Market Forecasts report estimated that the BPM market would be worth $11 billion by 2020. Despite the big name competitors, Bizagi has taken on the sector and come out on top in an ingenious way.

"We are the only one in the enterprise software market that supports a freemium model," explains Jolanta Pilecka, CMO at Bizagi. "We offer our software for free. The customers come to us when they want to execute the process, so they have to buy the engine."

The approach has worked. The company has been in the BPM market for more than 20 years, and is headquartered in England. It also has operations in the U.S., Europe and Latin America. Bizagi boasts over 350 customers globally, many of them household names, across many sectors, including Adidas, GE and BNP Paribas. The Bizagi platform powers over $10 billion worth of transactions across the world, processes 20 million cases a year and supports 20 million users.

The freemium model adopted by Bizagi gives the company several advantages. The model allows the sale cycle to be short in comparison to industry standards in the enterprise space. Customers can also test out the system properly before spending a dollar, and this means the chances of a project failing are extremely slim. Bizagi also benefits from a top three organic Google search position, because of the freemium model.

One of the company's clients, BAE, enjoyed these benefits and more. "We have been impressed with Bizagi from the beginning of the RFP process. Bizagi's strong modeling environment will help business and IT collaborate on process design and implementation. This was a major factor in choosing Bizagi to support MAI's transformation program," said Nick Webster, IT Chief Architect and Head of Technical Strategy, MAI, BAE Systems. "We are undertaking a high visibility initiative that will deliver a significant business change by deploying an integrated set of lean processes in all MAI businesses across manufacturing, procurement, finance, commercial and project management. We need a trusted partner we can rely on to deliver on time and within budget."

The freemium system has paid off financially as well. Bizagi has been experiencing impressive growth, 30% year-on-year, for the last few years, and has opened a new San Francisco office. The company currently employs 300 people, and this is also expected to grow significantly. And CEO Gustavo Gomez keeps its focus on developing and enhancing its product. In total the company employs 120 developers, and maintains 25% of revenue as an investment in research and development.

Bizagi has been self-funded and organically grown to date, but may look for investment in the future in order to support the rapid growth it has experienced. The company has already been in touch with investors.

Now the company looks to the future with relish. As of yet the company has not tapped into the potential of the Bizagi community of 200,000 subscribers. To date Bizagi has been building the trust and loyalty of the community, but hopes to harness a two-way relationship which can support accelerated growth in the future.

In crowded markets sometimes a great platform or product is not enough. Bizagi's task in usurping the likes of IBM and Oracle would scare most companies off, but the team, which has decades of experience in BPM, has devised not just a fantastic platform, but also an exception business model. Combining technology with good business sense is clearly a theme that runs right through the company. RH

BizOnRate

www.bizonrate.com/en

Tilen Oseli

Banking/M&A

Slovenia

Yes

» Financial insecurity is a plague of the modern business world, let alone that of technology. Since the financial collapse of 2008 institutions, businesses and enterprise resource planning outfits (ERPs) have found it more and more difficult to translate balance sheets or financial statements, which are released rarely, with the true risk involved in an investment or debt.

Slovenia, located in the center of Europe, was hit harder than most European countries. Even last year, stress tests of local banks revealed gaping holes in the nation's economy. The three biggest Slovenian banks are bust.

"The banks' plight arises from mounting losses on their loans," writes The Economist. "Between the middle of 2012 and of 2013, the ratio of non-performing to total loans rose from 13.2% to 17.4%, which is the highest level in the euro zone after Greece and Ireland. The bad debts have been incurred predominantly through lending to businesses. Slovenia's firms are weighed down by debt, which is particularly high in relation to equity."

Perhaps Slovenia's ailing financial institutions may have mitigated some of that debt risk with compatriot firm BizOnRate, a breakthrough startup, which via stringent and comprehensive data collection, believes it has made risk management far easier and safer. Headed up by Tilen Oseli, a data whizz who studied in Slovenia's second-largest city of Maribor, the firm promises to provide daily financial data on other companies, so decisions on debt can be made in real time, and without relying on potentially out-of-date numbers.

BizOnRate receives data directly from ERP systems, not balance books or statements, "as these can be outdated or even counterfeited." This wealth of data allows easy access to funding, probability of on-time payments by debtors, warnings about problematic debtors and information that can help before closing a deal. The company, which still operates with a handful of staff but is looking to expand into other European markets, operates through invoices issued "to determine the financial solvency of the companies you work with."

"BizOnRate is the first rating agency on the market, which provides companies and financial institutions with current information about companies based on the issued invoices," continues the company. "We receive the data directly from you, not the balance sheets and financial statements, which can be outdated and even manipulated. The data is then solely used to make calculations, which can provide your customers with crucial information about the companies they conduct business with."

The events of the past few years have been devastating, both on paper and in terms of trust between companies and debtors. How apt, then, that one of Europe's leading rating solutions is based right in the heart of one of the economic meltdown's epicenters. And Oseli, a young entrepreneur with a flair for solutions marketing and project management, appears well placed to bring that trust back, using leading-edge technology.

Bonnyprints

www.wunderkarten.de

Peter Stiller

Internet/Online

Germany

N/A

» In today's digital world, there are many ways to get in contact with someone. Emails, instant messages, text messages and video calls provide the daily communication needs of a large proportion of the world's population. But for a really special form of communication, a lot of people still prefer a printed message, and Bonnyprints has offered that service with a digital twist.

Bonnyprints offers web-to-print personalized cards. The company gives consumers the chance to make their own custom designed greeting cards, wedding invitations, thank you notes and much more, and then prints and sends the card, allowing people to receive a personalized and real message.

The web-to-print market is reasonably crowded, and is becoming more competitive. Despite this, Bonnyprints sees an enormous opportunity and views the European market as a €4 billion opportunity, with almost 94% of the competition working offline. Other competitors include the likes of planet-cards.com and paper-shaker.com. A study by IBISWorld revealed that the gift card market is changing rapidly, and traditional retailers are finding it hard to compete with their digital counterparts. IBISWorld Industry Analyst Brandon Ruiz explained "In addition to rising external competition, greeting card retailers have struggled to capture a younger customer base, which has also contributed to the declines in overall revenue."

Co-founders and brothers Tomas Stiller and Peter Stiller founded Wunderkarten in Germany in February 2009. Bonnyprints, the international brand of that company, now operates in the U.K., France, Spain, Austria and Switzerland. The company has raised a total of $750,000 in funding, from two rounds with Rocket Internet.

Bonnyprints CEO Peter Stiller says the company now has ambitious plans for the next 18 months. "We will become the European leader for unique invitations, announcements and thank you cards by data driven execution and focusing on four levers." Those four targets for the company are to increase new visitors, conversion rates, the average shopping cart and the number of returning customers.

Stiller says the biggest challenge the company currently faces is balancing revenue growth with liquidity. The company's revenues have increased from $5.6 million in 2012 to $7 million in 2013, and Stiller expects this figure to jump further to between $8 million and $13.6 million this year.

In many ways Bonnyprints's story reflects a wider trend in the world's economy right now. Enthusiastic and innovative entrepreneurs are going back to old industries and applying new technology to revolutionize them. In this case, Bonnyprints is using the old world of sending cards and physical messages to each other, and making it more useful through the application of its personalization technology. Other such examples can be seen in Uber, which has disrupted the age-old industry of taxi services, AirBnB, which has shaken up hospitality, and Square, which has changed payments. For Bonnyprints, the aim now is to make a similar impact as these companies have on everyday life.

Boolino

www.boolino.com

Sven Huber

Entertainment & Media

Spain

No

» When Sven Huber left his job at the German book publisher Bertelsmann in 2011, he wanted to build a business that could both make money and have a positive impact on society.

He teamed up with a former Bertelsmann colleague, Toni Montserrat, to launch a start-up in Spain, where he has lived since 1999, that would get children excited about reading. The result is Boolino, a website that acts as an online marketplace for children's book and an educational resource for parents who want to inspire a lifelong love of literature in their children.

Noble intentions aside, the market for children's books in the U.S. was worth close to $3 billion in 2013, according to the Association of American Publishers. Digital distribution in the publishing industry, in the form of easily downloaded e-books, has lowered fixed costs for new firms. As e-book sales increase, publishers can scale back investment on expensive real estate for retail stores or large distribution networks

When U.S. e-book sales of the hit Hunger Games series of novels surged in 2012, the percentage of books bought from online retailers and through apps rose to 28% in the first nine months of 2012 compared to 23% in the same period in 2011. At the same time, sales through physical retailers fell from 68% to 63%.

"The main challenge is not fierce competition, but like in all media markets today, it is related to a fundamental industry restructuring. This requires the development of new business models, a challenge with which normally new entrants have less trouble than the traditional players," says Huber.

Similar to Amazon, Boolino has a recommendation engine to help users discover suitable children's books. But, the firm tries to differentiate itself from the online retail giant by providing a more personalized service to customers. Parents can buy a 'my little book box' containing books for children aged up to eight years, as well as crafting activities to get families reading together.

The company is largely self-financed by the two founders, though it received early investment from Wayra, a startup accelerator of the Spanish telecommunication incumbent Telefónica. Huber plans to raise up to €1 million ($1.3 million) in a round of series A funding. Current revenues are on course to reach €250,000 ($340,000) in 2014, according to Huber.

Over the next 18 months, Huber plans to expand the company into new countries, launching English and German language versions of its website. The firm then plans to monetize its services in the U.K., U.S., and Germany, projecting €1.5 million ($2 million) in turnover by 2015.

Competing against both Amazon and local bookstores has its challenges. In the U.S. at least, data from the market research firm, Nielsen, shows that the majority of children's books bought are still print books and are still acquired through physical stores. Being an online only start-up, Boolino must also pay Amazon to use its vast distribution network for its own logistics.

If the company can remain agile enough to adapt to the new online publishing landscape, through the use of strategic partners and shrewd marketing, and successfully attract new users, then it may be on course to take serious market share from the incumbents. RH

Cambridge Broadband Networks

www.cbnl.com

Lionel Chmilewsky

Telecommunications

United Kingdom

Yes

» Back in 2000, ten engineers from Cambridge University in the U.K. raised private equity funding based on the assumption that the amount of mobile data would grow significantly. The company they formed, Cambridge Broadband Networks (CBNL), now reaps the benefits of its own foresight.

The CBNL founders set out to find a more efficient way to build data networks and achieved just that with its point-to-multipoint (PMP) microwave VectaStar solution. The platform manages data in a more efficient and cost effective manner than the traditional technologies of fiber and point-to-point (P2P) microwave. The solution has also been proven to offer total cost of ownership (TCO) savings of up to 50%.

The backhaul and access equipment market the company operates in is highly competitive. Wireline solutions offer unlimited capacity, but are often not sustainable due to high setup costs. On the wireless side of the backhaul market, worth $1.16 billion according to a Q3 2013 report by Infonetics Research, the P2P microwave solutions are provided by large vendors such as Huawei and Ericsson. However, the P2P solutions require more equipment than the PMP platforms, meaning they can be costly and slow to deploy. PMP solutions such as CBNL's have made technical advances over recent years and are beginning to replace the P2P option. Intracom and Hughes are CBNL's main competitors in the PMP microwave market.

"CBNL is not only focused on maintaining leadership within the PMP microwave space, but also on disrupting traditional backhaul techniques and taking market share from the wider wireless backhaul market," says Lionel Chmilewsky, CEO of CBNL.

CBNL is backed by a global investor syndicate, and its three main investors are Accels partner, Amadeus Capital Partners Limited and TVM Capital. Although the company was founded in 2000, its real breakthrough year was 2013. Chmilewsky explains 2013 saw operator requirements sharply focus on the optimum balance of speed of deployment, cost efficiency and performance. These forces created a high growth market for CBNL and VectaStar across the globe. The company acquired 11 new customers during 2011 from six new countries, and also secured growing business with major accounts such as Vodafone and MTN. In the same year the CBNL also continued to invest over 10% of revenue into its R&D and launched VectaStar Metro, designed to address the small cell backhaul market said to be worth $5 billion a year by 2017. The company increased all of its financial indicators by

the end of 2013. Now the company has revenues in the range of $40 million.

CBNL has also used its superior technology to take a sizeable chunk of the market and stay ahead of its competitors. “VectaStar leads the PMP industry with the highest capacity, the lowest latency and the richest feature set. The company’s vision and roadmap for the platform match the most demanding future aspirations of service providers,” said Chmilewsky. The company considers itself to be the pioneer of the PMP microwave market, and as a result has a strong IP portfolio and expertise and experience which is unrivalled.

CBNL’s major challenge would be considered by most to be a good one to have. The company is now expanding fast as demand for its VectaStar platform increases. Taking advantage of this demand will mean moving into new markets. “To be successful, CBNL will increase its headcount by employing highly experienced and talented staff, along with teaming up with solid global and local business partners. CBNL will also work closely with operators to propose new business models, and not only a pure Capex one, and financial solutions,” said Chmilewsky.

The company’s global expansion took it to Lebanon earlier in the year, where an agreement was reached with Lebanese carrier GlobalCom Data Services (GDS) to double the size of its VectaStar network. Dr. Habib Torbey, President of GDS said: “The scalability and ease of deployment of VectaStar enables us to respond rapidly to our customer demands and quickly roll out high capacity corporate network services.”

Mobile data is only going to grow and grow, making platforms such as VectaStar essential to mobile carriers. And in a highly technical, expertise-driven market such as this one, it always helps when a company has been in the business from the start, as CBNL has.

Canonical

www.ubuntu.com

Jane Silber

Software

United Kingdom

No

» Ubuntu is an ancient African term meaning ‘humanity to others’. With this spirit in mind, a team of Linux developers launched the identically-named open source operating system in October 2004.

Since that launch, Ubuntu has evolved and developed significantly. There are now eight different versions of the operating system and special editions for servers, OpenStack clouds and mobile devices. Canonical was created alongside Ubuntu to help the system reach a wider market.

“The Ubuntu OS and the innovative Ubuntu for Android convergence solution make it an exciting time for Ubuntu on mobile devices. In the cloud, Ubuntu is the reference operating system for the OpenStack project, it’s a hugely popular guest OS on Amazon’s EC2 and Rackspace’s Cloud, and it’s pre-installed on computers from Dell, HP, Asus, Lenovo and other global vendors. And thanks to that shared infrastructure, developers can work on the desktop, and smoothly deliver code to cloud servers running the stripped-down Ubuntu Server Edition,” explains the Ubuntu website.

The operating system remains free to use, share and develop and continues to attract new developers to help build the next version. Ubuntu works closely with original equipment manufacturers such as Dell, Hasee and Sharp Corporation to make the operating system pre-installed on certain devices.

The aim of Canonical is to make money from support services for Ubuntu. The company helps governments and businesses with migrations, management and support for Ubuntu. Canonical’s major goal is to ensure that Ubuntu runs reliably on all of its platforms. “Leading organisations all over the world turn to us for our services and expertise – from systems management to the deployment of Ubuntu on their own clouds, servers and desktops,” the Canonical website states.

Checkmarx

www.checkmarx.com

Emmanuel Benzaquen

Security

Israel

Yes

» The wide ranging and highly publicised threat that hackers pose all aspects of the online world has led to a huge investment in network security globally.

But these network security defences are all too often rendered useless due to the ease with which web and mobile applications can be hacked. The result is a free-for-all for anyone with a browser who wants to cause a serious breach. This problem is exacerbated by the fact that software security tends to happen after product development - the cost of fixing the problem at production is large and there is one security person per 100 developers.

But Israeli-headquartered Checkmarx says it has the solution. And as the second fastest growing security company in the EMEA region according to Deloitte, others seem to agree.

The company has produced software that not only automates security testing, but also performs the tests during development and reduces fix times with smart fix suggestions. This results in a dramatic reduction in time spent on fixes, often from two weeks to two hours, which means it is more likely products are shipped with no known vulnerabilities.

"If on the eve of production you check the code for security and you find bugs you have two options," explains company CEO Emmanuel Benzaquen.

"You go live and are exposed to hackers, or you deliver perfection, which is equally bad - at least for the business - because you are facing commercial issues. Either you have a liability because you have to go live and you have a partner defecting or you have an issue because you are not making your deadline."

"We can scan and bring some intelligence in the earliest possible days of development, which might sound geeky, but it makes a huge difference."

Founded in 2006 with the vision of providing comprehensive solutions for automated security code review, Checkmarx took the concept of a query, language-based solution for identifying technical and logical code vulnerabilities, and began to market it to companies.

Benzaquen, with a rich history of working in Silicon Valley and successfully launching start-ups, remembers heading to Israel to explore the market and enjoying the feel of the security market. "It felt like a great opportunity and we started pretty much from scratch with an idea on a piece of paper, with a basic concept," he says.

Funding in that period was hard to come by, so money raised was pumped into building the technology and intellectual property. "We were new players and there were already companies, but we were very much the new generation of technology, the new wave and we were coming into a more mature, better-understood market," Benzaquen recalls.

"So we spent most of our time designing technology and building architecture to support the explosion of the cloud and the explosion of software development." It would appear that it was the right path to follow, given that three years of development allowed the company to commercialize nearly four years ago.

And the growth figures have been impressive. "We grew exponentially to our first million dollars, then four, then to eight million, so that was our growth," Benzaquen asserts.

He adds that the company has maintained this 100% year-on-year growth rate, and while still only half way through the year, it looks like this year will see 120% growth. There has been a case of "perfect timing between the maturity of the technology and the maturity of market", Benzaquen believes. "Everyone is hacking on everyone and that is very much an environment that is good for our business, we are here to help clients."

Additionally, he asserts that the success of the company is also due to the thought that has gone into the technology. There was a desire to ensure that the solution would work across as many platforms and languages as possible, giving the company "broad market penetration". It means Checkmarx is capable of switching between environments in a very short time, "and that's what enabled us to win (clients)", according to Benzaquen.

One satisfied customer is Chris Kings-Lynne, R&D manager at Navitas, who says "Checkmarx simply had the best solution for us. Their product was very easy to use. Being able to 'remember' what was non-exploitable from one scan to the next really helped our eff¬ectiveness," he adds.

"Due to the success we've seen with the Checkmarx application security testing, we are looking to expand the use of static analysis to other areas outside security."

This "easy to use" nature of the technology is definitely a boon for Checkmarx. Bringing thousands of alerts to developers, the majority of which are probably non-exploitable false alerts, is damaging to a reputation. So Checkmarx has focused on outperforming and bringing results that are valuable.

"We put a lot of time and research into minimizing false positives, improving quality to make it really useable for the developer community," Benzaquen says.

This helped secure cloud computing company Salesforce.com as a client, which has since become a partner and shareholder in 2011. When Checkmarx pitched for the contract with Salesforce.com it was still a company with a handful of employees and a very early version of its tech, up against multi-million dollar established entities – a true David and Goliath story.

Successful funding rounds and private equity has enabled the company to expand on its commercial operations and it boasts offices in the U.S., Singapore, India and France with more to follow.

As the "security expert", the need to scale up to provide a service for developers who may not understand the issues with their own code is of vital importance. But depending on where you look, the app security market is valued around the half-billion dollar mark, growing to one billion in the next few years.

And with developers continuously having to ensure they aren't building in back doors for hackers, the potential for Checkmarx to continue flourishing is obvious.

Chelsea Apps Factory

www.chelsea-apps.com

Mike Anderson

Mobile

United Kingdom

No

» For any major company, if you're not mobile, you're not really anywhere. The advantages a mobile workforce offers are now so huge they cannot be ignored. Chelsea Apps Factory is one the U.K.'s biggest mobile companies, and it is helping other organizations make the most out of their mobile potential.

Chelsea Apps Factory specializes in helping businesses mobilize their workforce. The company currently employs 70 people in its offices in London and Edinburgh and is growing fast.

In October, Chelsea Apps Factory announced it is to open a new hub in a central Belfast, Northern Ireland location. There it will build a 33-person development team. "We passionately believe that the U.K. has some of the world's finest technology talent, with the skills and capabilities required to serve British businesses," Mike Anderson, CEO and Founder of Chelsea Apps Factory, said.

"As an expanding business, we want to invest in communities that will help us deliver real quality to our customers. The availability of some of the U.K.'s finest IT graduates, along with the support from Invest Northern Ireland, made Belfast the primary choice for our new base."

Businesses can achieve much higher levels of efficiencies through the mobilization of their workforces, and the growing trend of bring your own device, has supported that. A recent survey by Good Technology revealed that the majority of industries in the mid-market range have a 'bring your own device' penetration of more than 50%. The legal industry had the largest penetration according to the research, while energy, wholesale, manufacturing and government all fell below 50%.

This type of research shows that not only is there huge demand for mobilization services, but there is also a long way for the market to expand – good news for the likes of Chelsea Apps Factory. RH

Choice Technologies

www.choice.com.br

Denis Maia

Cloud Computing

Luxembourg

Yes

» Public utility Consumers Energy defines energy theft as "any physical activity that tampers with, damages, distorts or otherwise limits a utility company's ability to accurately bill a customer for his/her electric and natural gas use". The World Bank estimates that every year, the energy sector loses approximately $85 billion worth of energy. Utilities are losing out on revenues and energy even as they try to address the issue themselves.

Choice Technologies helps utilities resolve this issue using algorithms and proprietary technology. The company, based in Rio de Janeiro, Brazil, offers revenue assurance software called Revenue Intelligence. The software tackles energy theft and bad debt, according to Choice Technologies' website; enabling utilities to cut down on money lost and manage massive quantities of data from millions of consumers.

While utilities have methods in place for dealing with energy theft, also called non-technical losses, CEO Denis Maia saw an opportunity to apply technology to solve the problem more effectively, using data and analytics. Leveraging algorithms and software that learn patterns, Choice Technologies' offering sought to tackle the problem of energy theft head on. "Using the best of analytics technology, [our software] can prioritize the customers that could potentially have a fraud with a bypass or meter tampering," says Maia. "With this prioritization we can increase the amounts of energy utilities can recover." In 2013, the company reported boosting utilities' EBITDA by amounts reaching $40 million annually.

Meanwhile, Choice Technologies' 2013 revenues came to $2 million; according to Maia, that figure will hit $3.5 million this year, a boost of 75%. The company aims to cross the break-even point into profitability in 2016.

Via the utilities it serves, Choice Technologies reaches 30 million consumers, or 90 million heads, according to Maia. Its current focus is Latin America, though expansion out from the region will come soon. Maia says the company will target Europe - specifically Southern Europe, Eastern Europe, Turkey - North Africa as well as the MENA region as it lengthens its global footprint. Expansion into Asia will come a little longer down the line. Partners also enable further international development; Choice Technologies teams with both software behemoth SAP and U.S. utilities corporation Itron.

Choice Technologies says it has no direct competition in the market it serves. The U.S. does contain companies that could challenge the company, but they focus on America, while Choice's current audience lies further south. But that doesn't mean the company can relax. Large consultancy companies and others could become competitors if they begin custom development projects, says Maia. However, experience sets Choice Technologies apart, he adds. Customers don't know what to expect with custom development projects, says Maia, so partnerships with corporations that leverage global wingspan aid in validating the company as a market expert.

"Their initial competition was really just in-house solutions; the utilities would have IS departments and IT departments trying to solve a problem," says Kelley Williams, general manager of Greenover Group LLC, which invested in the company.

A challenge for the company is managing growth in other markets as it swaps out its old business model, says Williams. From collecting upfront, Choice Technologies has moved to a SaaS model (with 80% of turnover stemming from recurring revenues) and added a "success fee." The company's expertise also contributes to revenues, as it can provide services at no charge until customers witness energy hikes. But Maia asserts the biggest obstacle ahead is accruing knowledge about potential new territories. Limited resources also present an issue to confront as Choice Technologies goes global.

Choice Technologies is currently fundraising. It has previously secured $1 million in backing from two investors, one American and one French. It is now seeking $3.5 million to bolster its customer base around the world. Choice Technologies' vision is pinned on growth: expansion into worldwide geographies, as well as fresh verticals down the line. Though the company currently serves the segment around electricity, gas and water utilities could become the next customers of its software. Losses in the water sector are even bigger than those in electricity, according to Maia. If that's the case, Choice Technologies' largest growth opportunities are likely to be found in new markets and industries. RH

Cloud9 Communi-cations

www.cloud9mobile.co.uk

Gerry O'Prey

Telecommunications

United Kingdom

No

» It is often a problem for travelers, whether they are on holiday or on business, to spend vast amounts of money on data, texts or calls on their phones while abroad. Cloud9 Communications is a U.K.-based Alternative Roaming Provider, selling low cost roaming services through travel companies.

Cloud9, which was established in 2003 and is part of the Blue Mango Communications Group, has offices in London, L.A., Milan and Jordan and has data centers in the U.S. and the U.K. Since 2010 the company claims to have shipped over 1.5 million SIM cards to travel companies and resellers globally. "We provide branded SIM cards, mobile network and all the necessary back-office operations and IT platforms allowing you to concentrate on your core travel product," explains the company's website.

Cloud9 received a recent boost when it was announced that from July this year, E.U retail mobile customers would have the option to sign up to alternative roaming providers, such as Cloud9, separately from their domestic provider, without having to go through the hassle of changing their SIM card or mobile number.

Cloud9 targets the travel companies rather than individual users themselves, offering these firms the chance of a new revenue stream, by convincing travelers to use the SIM cards. The company's service also claims to increase cashflow, enhance customer loyalty, increase customer acquisition and has a quick and easy setup with low costs associated to it.

As the cost of travel decreases, and the world continues to get smaller, the technology services which operate around the tourism sector will grow as well. Cloud9's offering also has the bonus of being associated with the use of smartphones, which is only increasing. The thought of going on holiday or to a new place without an operational smartphone is unthinkable for most people, not just for business purposes, but also for pleasure.

Codership

www.codership.com

Seppo Jaakola

Software

Finland

No

» Some people might suggest that Codership is in the security business. Don't tell that to its COO, Sakari Keskitalo. "We are not in the security business," he tells Red Herring curtly. "We secure our customers' businesses by protecting against downtimes or hardware and software failures."

Codership, another of Red Herring's Top 100 Europe based in the Finnish capital of Helsinki, calls itself a data replication company. That is, it provides "high ability, no-data-loss and clustering solutions for open source databases." The company's flagship product, Galera Cluster, is a MySQL-based solution that offers high system uptime and scalability for future growth.

First of all, it's a good idea at this point to mention MySQL's amazing durability and popularity. The relational database management system (RDBMS) is the world's second most widely used, with over 65,000 downloads per day. No wonder Keskitalo and co. were keen to pounce on the market. And the COO confirms that his team's experience is of great depth.

"The Codership development team previously did three other MySQL clusters," he says. "They had a great understanding of how to develop the 'perfect' MySQL cluster." The team, Keskitalo adds, came across some university thesis work, which "solved one of the underlying issues with using synchronous replication to develop a so-called multi master cluster. Building on that academic research, Codership created Galera Cluster, which last year was downloaded 100,000 times.

"Our long experience in the business has given us a unique insight into what can and cannot be done," claims the company. "Instead of accepting the known pitfalls and shortcomings, we work on solutions. Solutions that solve problems, as opposed to finding detours around them."

Codership "does not have VC funding as such," says Keskitalo. "We funded our development doing consulting in the beginning. Tekes, the (Finnish) government funding agent, has provided us a loan and grant." That loan represents around $200,000 of investment: a small figure on these pages. But, as Keskitalo notes, exponential growth via Galera isn't just a hope, but an expectation.

"It can happen," he says. "MySQL market growth is 40% over a year. However looking beyond the MySQL market we could enter into NOSQL market - and Hadoop, for example, which is over 10 times bigger than MySQL or NoSQL. But there is still a lot to gain in MySQL market."

Last year Codership sales reached $500,000 - a 100% increase on the previous year. This year the firm expects to double that figure again, remaining, as it is now, cash-flow positive. And, as Keskitalo says, the company will continue to grow so long as it keeps an ethos of academic study of the field, and a sharp eye on MySQL trends worldwide: "We have seen high adoption simply because existing solutions are not good enough, and web and mobile apps grows bigger." With that in mind, Codership will soon have to address its own scalability, instead of those of its customers. RH

Crimtan

www.crimtan.com

Paul Goad

Marketing/Advertising/SOE

United Kingdom

No

» The introduction of big data analytics has shaken up every industry which has embraced it. And advertising is a particular sector which is suited well to incorporate data analytics into it. Crimtan, a U.K.-based digital real-time advertising platform, stands at the forefront of this trend, as proven by the fact the company processes over 4TB of data every day.

In short, Crimtan uses data to offer its clients advertising with the maximum return from a minimum cost. The company's technology allows it to see 12,000 data touch points every second, and this enables the client to target potential customers who are most likely to make a purchase. Crimtan's offering is also available across platforms, from desktop to mobile to tablet.

Founded in 2009, Crimtan has always had an edge in data, according to Managing Director Paul Goad. "What we were very good at was building a system that was crunching data in real time, understanding what was valuable data and what would allow us to add value and optimization. We had a strong technical background," he says.

Crimtan has targeted the European markets in particular, and has had great success doing so, in part by being able to understand the nuances between different regions. "A lot of the big players in the U.K. market are still U.S. companies and they bring their U.S. processes and views, and it's very difficult for a U.S. company that does all of its optimization out of New York or San Francisco, to understand the regional differences between Newcastle and Bristol," says Goad.

Crimtan has an impressive list of partners, all seemingly excited to work with the company. One such partner, New Mind|tellUs, a tourism services provider based in the U.K. was effusive in its praise. "After researching the players in the field, Crimtan proved to be both technically the most advanced but young and agile enough to be flexible on the terms of the deal and enthusiastic about making it work for all concerned," said Managing Director of New Mind | tellUs Richard Veal.

Away from the U.K., Crimtan has enjoyed considerable success in Eastern Europe in particular. In the two and a half years since the company's inception, Crimtan has gone from a two country representation, the U.K. and Ireland, to having operational offices in eight countries. These bases have helped with the company's pan-European customers. "When you're talking about a market that is fragmented as the European market, a one solution fits all never works and I think a big part of our success has been that we never believed that this space could be operated by pressing a button and letting the machines do their bit," says Goad.

The company's success has been reflected in its rapid growth. Crimtan's revenues have grown from €158,000 in 2009, to €16.6 million in 2014. Crimtan has grown organically and has never raised funds.

One of Crimtan's main goals is simply to stay ahead of the game. "My ambition was always to build a digital marketing platform that could seamlessly deliver ads across multiple devices, and I'm halfway to delivering what I thought would happen," explains Goad. "This market is very much built around people that build on desktop and make a very good business, but they don't see mobile coming and they don't see apps coming."

"So going forward for us it's very much about picking the markets we want to be in where we think we can have the biggest impact but also continuing the evolution in building this multi-medium platform," he adds.

Perhaps the secret to Crimtan's success is to take its technology and apply it to the correct markets with pinpoint accuracy. By targeting the European markets in which the company knows best, and can offer more, Crimtan has achieved astounding growth. And with a focus on improving its already impressive technology, the company still has some way to grow.

Crossject

www.crossject.com

Patrick Alexandre

Pharma

France

Yes

PUBLIC

» It has been a long path for Patrick Alexandre and Crossject, but this year looks like being the company's annus mirabilis. A successful public offering, product development and funding round: enough to make any chief executive's mouth water. But for the French biotechnology firm, it all began back in 2000, when it designed a needle-free auto-injector.

In 2001 the company was founded out of the historic city of Dijon, and went on developing licenses for companies to create their own drug combinations for needle-free injection. An agreement was signed with pharmaceutical giant GlaxoSmithKline. Progress was moving at a fast pace, as was the market: Visiongain predicts that the global needle-free delivery device market will be worth almost $5.9 billion by 2022.

At the heart of it all was, and is, Zeneo, a needle-free auto-injector that's pre-fillable, single-use, and able to inject a wide range of drugs without breaking the skin. Medications are administered in just 50 milliseconds thanks to a system that draws on the pneumatics of the auto industry.

"There are several drawbacks involving injectible products," says Alexandre. "For self-administration there is needle phobia, so if the patient is not comfortable with a needle he will not follow his treatment correctly. The second issue is that if many people self-inject at home, some of the needles may be contaminated…The last point is that when you administer with a needle or a pen, it's always a complicated thing to do and there's a risk to miss the administration. So it is mandatory to have solutions that guarantee the full prescribed dose is effectively administered."

The constant threat of needle sticks is also removed with Zeneo. Around 385,000 people are estimated to be affected by needle sticks per year, in the U.S. alone. However despite all the promise, Zeneo had to wait until 2011 to gain traction once more, following the economic meltdown of 2008. Now the company is VC-backed, including the well-respected Parisian firm Gemmes Venture. Last year, Crossject received $6 million in a refinancing round backed by A Plus Finance, Sofimac Partners and several individual angel investors, to push its products into the late clinical phase.

"Gemmes is the company's biggest shareholder with a 34.7% stake," reports unquote.com. "A Plus holds a shareholding of 17%, Sofimac 6.37% and Keensight 3.8%. Crossject first received funding in May 2001, securing €2 million from Gemmes over two rounds, according to unquote data. A further €9 million was then provided by Gemmes and Keensight in August 2006, followed by a €4.6 million round in July last year from A Plus, Gemmes and Sofimac."

Rejuvenated, Crossject was listed on the pan-European, Paris-based Alternext market on February 20th. Issue price was $11.35, at the high end of its indicative price range. That meant that Crossject's market capitalization stood at around $71 million, with a total of $23 million raised. The offer was oversubscribed 4.4 times, showing a keen interest in the company. The company posted a turnover of $479.5 million in 2012.

Now, armed with Zeneo, investment, a successful listing and over 380 international patents, Alexandre and Crossject are aiming to take a 10% slice of the needle-free market in ten years. And with industry analysts predicting a boom in the technology, that slice should reach into an eight-figure sum.

"The needle-free delivery market has seen slow growth in recent years and is only now beginning to expand," says healthcare analyst James Sheppard. "Growth will be driven by new technologies such as microneedle patches and novel jet injectors. Over the course of the next decade there will be greater demand for needle-free delivery devices as the technology becomes more attractive to big pharmaceutical companies." Crossject has proven that it has the skill and patience to attract investment. Now, with that patience - and investment - paying off, it will hope to continue 2014's successes into a profitable future.

Crowdynews

www.crowdynews.com

Edwin Kuipers

Social Media

Netherlands

Yes

» Much ink has been spilt over the power of social media. Today, an increasing amount of people get their news from online communities such as Facebook and Twitter, whereas before, publishers provided a central place for finding out what was happening in the world. Now, increasingly people land on news outlets via a social platform referral, or simply consume the news without ever visiting the source. The decline in the necessity to frequent publishers' sites presents a major challenge for these outlets. Many understand the need to use social media tools and technique to increase engagement, but the majority also require a helping hand in doing so effectively.

Those media outlets that are willing to embrace modern consumer interaction have huge potential, as do the solution-providers offering support and guidance.

Crowdynews is one of these companies, offering publishers a way to connect with customers, incorporating their voices and content into news items. "We complete stories for every publisher's website, from news to special interest, by adding real time content taken from the biggest editorial team in the world: those who are posting, sharing, tweeting and photographing on social media," asserts the company's website.

It achieves these claims by delivering publishers three different services; an article Twitter widget, the 'Breaking Burner' for building information streams, and the 'Amplifinder' for spreading hot links. Through its products, Crowdynews aims to deliver the best of both worlds when it comes to news. In many cases, legacy news providers publish accurate news, while social media sites break the story first. Crowdynews mashes up social media's timeliness with the quality of the news outlet, explains CEO Edwin Kuipers.

While Crowdynews is Dutch, based in Groningen, its market is located primarily in the United States, where Kuipers says urgency is felt greatest. Yet at the time of the company's inception, online publishers weren't shelling out for technological solutions. So, the company formulated a business model minus upfront costs. Today, it utilizes a revenue-sharing model supported by advertisements in its solutions.

Crowdynews now serves more than 750 online publishers and works in 25 different languages. Customers include AccuWeather.com, GateHouse Media, The Denver Post, The Malaysian Insider, and NBA Philippines. And its offerings don't just appeal to news sites, but also to any special interest topic under the sun, says Kuipers. Any publisher surrounded by enough "chatter", he says, can use the company's products. Already profitable, the startup has raised one round of funding in which Truffle Capital invested.

Crowdynews evolved out of the expectation that social media would change the way people got and experienced news. Online platforms, specifically Twitter, brought eyewitness versions of events to the mainstream and did so more quickly than traditional media stalwarts could report the news. One emblematic moment that illustrated how the old guard was changing arrived when Sully Sullenberger landed a plane on the Hudson River in January, 2009. People on the microblogging site broke the story rather than news anchors. "Everybody knew about it except for the main news outlets," says Kuipers. "And that's really what triggered us to build a system that found relevant tweets, found relevant social media for news outlets to add to their verified news as illustrations, as opinions, as eyewitness reports."

The company's products are notable for their methods of aggregating and presenting social media content. Posts, Tweets and more are put though a filter, ensuring they stay relevant to publishers content, don't display bad language, and come to users in the right language. It's also possible to block accounts. "After four years there's quite an intricate and complete, end-user friendly management system with which you can really manage all the social media content that you want to be putting on your news website," says Kuipers.

Tests for the company arrive with the blessing and the curse that is accelerated development. Crowdynews grew by a factor of 10 in the past year and it is expected to achieve expansion of the same magnitude this year, says Kuipers. When a company gets bigger very quickly, small teams get stretched. Kuipers sees maintaining and upgrading Crowdynews' operational excellence as the startup's main obstacle right now.

For Crowdynews, it is time to scale up and out. "[Its] strategic goal for next three years is to solidify Crowdynews as the global leader in social media curation, and to make sure that the growth of the organization keeps pace with the growth of the maturing market," writes Bernard-Louis Roques, co-founder and general partners at Truffle Capital in an email, also noting the company targets 900% growth this year.

The future for Crowdynews will see it transform into more of a platform company leveraging a larger footprint in terms of size and number of clients, says Kuipers. And the company has its eyes on expanding further into mobile and tablet. It has followed the trail social media has blazed, bringing users with it. Whereas before the company put out relevant social media, now it engages users, hooking them with relevant content and inviting them to "add their two cents or Retweet". "Readers become writers," he says and Crowdynews is looking to inspire them to use their newfound voices. RH

Dacadoo

www.dacadoo.com

Peter Ohnemus

Internet/Online

Switzerland

No

» Much like the technology sector in general, healthcare in the digital era has started switching hands from legacy institutions to the masses. With wearable devices and applications that allow users to track their activities, fitness, diet and more, consumers are taking charge of their health – some in the nick of time.

"We have never had higher heart attack, overweight, sleeping disorder, depression cases in world history than we have now," says Peter Ohnemus, founder and CEO of health platform dacadoo. "That is creating expenses that you cannot imagine and we need to fix that."

Add to this the fact that healthcare is often a minefield of confusion and contradictions for consumers, dacadoo's ability to synthesize information for users into a health score that reflects their dynamic health condition is welcome.

The idea for dacadoo emerged while Ohnemus was on vacation. He had just sold his previous venture, Asset4, which evaluated enterprises based on sustainability, to Thomson Reuters. After acquisitions and IPOs, says Ohnemus, he takes an intellectual break. Though trekking with skis was slow going at first, the difficulty lifted over time. And Ohnemus began thinking about benchmarking, which had been part of Asset4's framework, but this time regarding health. The question 'why wouldn't you benchmark your own health?', became dacadoo's foundation. Since then, Ohnemus has become a primary investor in the venture, which has so far secured $20 million and is currently raising $10 million more.

"I liked the holistic picture it presents to you," says Mark Hoffman, co-founder and former CEO of Sybase, and an investor in the company. "You've got the five or six things that really drive your health and those are mostly now all covered within dacadoo."

Dacadoo utilizes key performance indicators (KPIs) such as blood pressure, height, and age to produce an objective health score. That number helps users intuitively understand their own health without monitoring disparate figures. "We call it the REF factor," says Ohnemus. "It's the relevance of my life, it's the easiness of my life, and it's the fun of my life. And the higher the REF factor is, the more we believe people will succeed with using dacadoo and having a healthy and happier life." The company spent roughly a year and a half developing the patented health score – the single number between 1 and 1000 that comes out of the data users feed into the Dacadoo platform. That score updates after user engage in activity (or don't), meaning consumers get involved in a "feedback loop", another tenant of the platform.

The massive market which dacadoo faces is summed up as mHealth (mobile health). Research and Markets sees that space swelling to almost $9 billion this year. Ohnemus says that McKinsey and BCC research report the total market expanding to $50 billion by 2020. But even that massive figure pales in comparison to the space's potential impact. "There is growing consensus that transitioning to outcomes-based payment is fundamental to driving cost-reducing innovation among healthcare providers and achieving a financially sustainable healthcare system," says McKinsey & Company. "We believe that successful implementation of outcomes-based payment could lead to a trillion dollars of cumulative savings in the United States over the next decade."

Taking an analog industry into the present benefits consumers and providers internationally, all the way up to national economies, according to Ohnemus. "I claim we can take out 25% of all costs globally on the healthcare system by going digital," he asserts. "That's $1.5 trillion that we're talking about."

But even at the precipice of a major opportunity, some industry players seem hesitant to take the dive. Ohnemus says the three challenges facing dacadoo are the medical world's current infrastructure (which includes the doctors within it), the fact that insurance companies have become accustomed to acting conservatively, and the relatively low level of attention people pay their health in general. However, consumer adoption will drive convergent trends in healthcare, taking legacy players with them. "If you look at the insurance business in the future, people will have a health score, then they will go and play golf. The health score would automatically see that they play golf, and send an automated email out to the user: as you're a golf player we could insure your golf sticks," says Ohnemus. "The whole thing becomes a lot more intuitive, but really around healthcare and your lifestyle - that's why I like to call the whole business lifestyle navigation industry."

dacadoo already works with major partners such as Samsung and Walgreens, something which has enabled the company to extend its reach. But it aims for a sphere beyond most, as it strives to become a global, standardized measure of health. It's something the world could welcome as the international healthcare industry struggles to settle into new models and users take their health into their own hands. For them, a comprehensive number and a fun, engaging product represents a welcome change over scales and a flat picture of a person's state of being. RH

Direct2Internet

www.direct2internet.com

Jens Claesson

Internet/Online

Sweden

Yes

» As an e-commerce enterprise reliant on customers shopping online, it can often be frustrating to use an external payment service provider (PSP). The PSP collects and loses customer data, the e-commerce platform has no control over the design of the page, and there can be a lost conversion for sales. As someone tries to make a payment on an e-commerce platform, the page redirects to the secure site of the PSP and the PSP charges the merchant for the service.

Direct2Internet seeks to empower e-commerce platforms, banks, debt collectors and other users of PSPs by providing a solution that will allow them to act as their own payment service providers.

Founded in 1999, the Swedish-based company initially focused on reducing the authorization times of payments at stand-alone and physical terminals. Up until three years ago, this was the core of the business and since 2008, Direct2Internet has handled around 10,000 physical merchant transactions daily. Now, it has moved into the e-commerce space in a bid to provide unique, innovative payment solutions.

By allowing its partners to act as their own payment service provider, it enables them to arrange card transactions on their own sites, have their own domain name, and set up their own payment and pricing models. Through an API/Web interface, the company provides a 'white-label' solution by letting its partners act as their own PSPs, and then keeping the sensitive customer data in a secure environment, which until now has been the big problem, according to CEO Jens Claesson.

Billmate, a Swedish invoice company, is one of Direct2Internet's newest partners. "They act as a payment solution provider, and they have a business relationship with all their e-merchants, e-commerce stores, and they set up [their own] pricing model," Claesson says. "We are basically just in the background."

Companies can utilize the platform by using several different payment methods. They can maximize the conversion rate of customers without any redirects to PSP pages (which drops a customer after the shopping cart page), they can charge merchants for all payment transactions, and they have access to smart, centralized customer-data along with a lucrative client scoring/credit database.

The company monetizes through its partnerships with a revenue split model. Each of its partners set their own pricing models and whatever percentage they make, they send a revenue split back to Direct2Internet, says Claesson. This challenges the traditional PSP model, where the PSP has a direct relationship with the merchants or e-stores, he continues.

Direct2Internet's market valuation is unclear as the company is in the process of making acquisitions, which Claesson says must remain confidential, To date it has raised more than US $4 million in funding and is on track to reach approximately $3.3 million in revenues in 2014. The company is also actively seeking capital for expansion.

Currently the company is firmly established in the Nordic region, and strong in countries such as Sweden, Denmark, Finland and Norway, says Claesson. With about 10 partners and serving 1000 e-commerce merchants, the company is hoping to move into other European markets like the U.K., France and Germany, though this is at an early stage.

The e-commerce market in Sweden is growing substantially, says Claesson. Generally, the breakdown of consumer payment patterns is that 30% choose credit cards and about 40% choose to be invoiced. This creates a potential challenge for Direct2Internet, with competitor Klarna strong in the paper invoice business. Klarna's 'incremental identification' solution uses minimal information for customers to buy goods and services; however, the company believes its proven partnership model with sales directed to e-commerce platforms, revenue share model and its flexible payment solutions will be the big differentiator in the market.

Direct2Internet has already been capturing attention, it was named 3rd in the Google ranking of merchant and terminal suppliers in Sweden and recognized by the Swedish Financial Authority, As the e-commerce market globally continues to explode and more companies seek to provide their own payment solutions, the market opportunity for Direct2Internet to tap is large and growing. RH

DynAdmic

www.dynadmic.com

Stephane Bonjean

Marketing/Advertising/SOE

France

Yes

» Digital advertising, claims DynAdmic, is facing a giant shortfall. Whereas people spend around a third of their web-surfing time watching video content, only a small slither of that video is monetized with online ad spending. Video content, says the France-based company, which also has offices in the U.S. and Brazil, is not crawlable like a web site, and ad-exchange transparency is almost impossible.

Enter Stephane Bonjean, and the team he has chaired alongside Bruno Champion since 2012. DynAdmic, which is funded by an industrial partner alongside Bonjean and Champion for a total of $1.2 million, is a marketplace for premium online video advertising. In that field, it has plenty of competition. What separates it from the rest is DynAdmic's unique technology - a "video content recognition solution that helps identify viewers' interests to serve the right ad to the right person," according to Bonjean, speaking to Red Herring after his company's success at the Top 100 Europe in Amsterdam.

"We compete with companies that propose a targeting solution for digital video advertising," adds Bonjean. "But DynAdmic's unique view of the user allow us to target at an extremely granular level, which is vital when trying to find unique audiences. It gives impressive uplift campaign performance and permits to properly use ad exchanges with no fear about quality, transparency, confidence and accuracy."

In an addressable market currently estimated at $137.53 million, DynAdmic has been generating interest across the world for its offering. And the company has turned up some impressive figures: it has a video ad completion rate of 40%, a click-through of 2.5x and customer loyalty of 95%.

Considering that customer base includes such esteemed brands as Findus, Audi, Red Bull, BMW, and Lego, it's unsurprising DynAdmic has been getting some pretty weighty recognition. Digiday deemed it a finalist in its best video technology innovation category this year. And the company was awarded Cristal Festival's best startup marketing innovation last December.

Those gongs have translated to gross revenues of $8.2 million in 2014. Bonjean expects that figure to rise to $26 million next term. In 2016 gross revenue is projected at a fraction under $40 million, something that Bonjean attributes to five key factors: breakthrough technology, scalability, a great product, sales performance and market strategy.

And despite its current successes, there is no chance that DynAdmic will rest on its laurels in 2014 and beyond. "Our professional aim is to keep helping our clients," says Bonjean. "We know successful brands are defined by their ability to create connections that drive loyalty and purchase. Our personal aim is to disrupt video advertising market. The video advertising is a massive, growing market undergoing a significant technology-driven evolution and we have the chance to participate." RH

eSellerPro

www.esellerpro.com

Paul Watson

Cloud Computing

United Kingdom

Yes

» Worldwide business to consumer e-commerce sales are expected to increase by 20.1% this year to reach $1.5 trillion, according to research from eMarketer. Any company involved in selling of any kind is rapidly discovering that not having an e-commerce solution is in most cases akin to throwing away money. Companies such as eSellerPro are helping businesses make the most out of e-commerce.

The company's enterprise resource planning (ERP) solution, integrates the online sales process, automating tasks such as inventory management, product listing and scheduling, order processing, payment and dispatch, customer communications and accounts posting, according to the eSeller Pro website. The company's platform also enables companies to scale up their operation and grow sales opportunities over multiple channels such as eBay and Amazon.

Launched in 2006 by Sandbourne Systems, eSellerPro's platform currently processes more than £400 million in annual sales. The company was backed by investment from Notion Capital in September 2010.

The company's customers have delivered rave reviews. "From the outset it changed the way we worked, and the benefits to my staff who are in the system all day every day were instant. The customer service team loves the integrated eBay questions. They don't have to answer questions outside eSellerPro, and this makes it much easier to manage on a daily basis," said Paul Lever, Director, Cheapest Electrical in a statement on the eSellerPro website.

The e-commerce surge is only increasing as more and more people have access to the Internet around the globe, and advancements in mobile technology and devices allow people to shop online while on the move. It's for that reason companies will rely on the likes of eSellerPro to ensure that they are not missing out on the trend, and they are able to operate in the crucial arena of online selling. RH

Essence Digital

www.essencedigital.com

Christian Juhl

Marketing/Advertising/SOE

United Kingdom

No

» In the competitive technology sector, branding is as important an exercise as any. An innovative concept is not enough to differentiate a company from its rivals in the same space, hence the need for strategic marketing. Brand building agencies compete fiercely against one another, and Essence Digital has stood out from the crowd as much as it helps its clients do the same.

A digital marketing agency headquartered in the U.K., Essence Digital covers the gamut of digital marketing services with a focus in media. Utilizing a robust and scalable platform, the company tailors solutions for its clients with a unique set of data and insights that set it apart from other agencies in the space. The company began as an internal digital media group for LloydsTSB, but eventually branched out to escape the corporate environment and become one of the leading companies in the field. A client list that includes the likes of Barclays, eBay, Expedia, Google and many more is a testament to that.

Essence is the largest independent media buyer in the world, according to Founding Partner and Executive Chairman Matt Isaacs. "At the end of the day, 80% of marketing budgets are going on media - understanding how that creates value is fundamental," he says. "The core of our [business] is combining basic client objective decision making in media and leveraging the creativity that is needed in the digital space...built upon a foundation of data, insights and robust measurements."

Isaacs believes that the global advertising industry, worth more than $500 billion, according to a Zenith Optimedia Global Ad Spend Study in 2013, is reaching a critical point where digital advertising has outpaced television advertising in terms of advertising percentages. He says that the rise of programmatic markets, the impact of mobile and the migration of TV formats into digital delivery mechanisms is transforming the industry - thus, he believes Essence is sitting on top of a space that is about to present an astronomical market opportunity.

The overall revenue made by the entire global marketing service sector was greater than $50 billion in 2013, a large portion of which is made by dominant incumbents such as Publicis Omnicron, WPP, Interpublic, Dentsu Aegis, etc. Indeed, Isaacs points to LBi Digitas as a potential direct competitor, but claims the market opportunity is so large that there is enough space for everyone. In 2013, Essence fetched $35 million in revenue and is on track to nearly double that in 2014. While the company has no external funding to date, it has found equity through the founders, management and certain acquisition deals, and managed to be profitable every year since it was launched.

Perhaps the company's biggest challenge at the moment is the practical aspect of expanding globally. The scope of growth has been so high that the company's office in Singapore has grown to a team of 30 people strong in the span of just 13 months. The number of global team members is hovering near 500, with the company holding offices in four time zones and operating in some fashion across 24 time zones. For Isaacs, the challenge is to figure out how to manage and organize global operations on such a large scale, while being privy to the intricacies of different cultures and different trends across customer bases.

"Digital marketing will be the core of what drives all marketing in the future," Isaacs says. "Our belief is we are creating the marketing services model of tomorrow. And that means the scale of the opportunity, to some extent, is as large as the entire market." The Essence team believes the digital marketing sector is dynamic, fast-paced, and constantly evolving -- due to the size of the market, the company focuses less on its competition and more on adapting to the industry's sporadic trends. "Our belief is that we are doing something transformational for the whole of marketing," he adds. RH

Extreme Reality

www.xtr3d.com

Sarit Firon

Software

Israel

Yes

» Last year, MarketsandMarkets predicted the touchless sensing and gesture recognition market would grow to $15.02 billion by 2018. With that figure, it also anticipated a compound annual growth rate of nearly 35% to boost the industry over the five years between 2013 and 2018. These numbers represent a market that innovators such as Extreme Reality, an Israeli motion evaluation and control company, are poised to capitalize on.

Extreme Reality, co-founded by current CTO Dor Givon in 2005, is working to bring about a future where people can connect with different technology without touch. "Extreme Reality is the only company to provide software-based, full-body 3D motion analysis through a standard 2D camera," says the company's CEO Sarit Firon. "This platform agnostic technology works on any computing device or operating system."

Extreme Reality upgrades upon what 2D cameras deliver with its technology, bestowed through its software development kit (by way of a revenue share agreement) as well as through licensing agreements with integrators and developers, according to Firon. Its tech is supported by upwards of 17 patents.

The company has secured more than $24 million in backing since it was founded in 2005, and investors have included Marker LLC, Texas Instruments, SV Angel and Qihoo360 as well as individual backer Nissim Tzarfati. Its partners include Intel, Texas Instruments, SoftKinetic and VTree Entertainment Studios.

The company serves three main markets: security, gaming and rehabilitation.

"The increasing use of camera-enabled smart devices and the proliferation of surveillance cameras are two trends that are providing significant momentum for our technology," explains Firon.

"While our initial focus has been on the gaming market, we also see significant opportunities in security, exergaming/ rehabilitation and even brand promotion."

The company serves the console gaming market and in 2013, Gartner forecasted video game console sales would clear $55 billion globally.

With regards to gaming, Extreme Reality helps developers integrate motion into titles such as Beat Booster by Current Circus, BeatBoxer+ by IndieHero, Go Dance by SEGA Networks, Dancewall Remix by SoftKinetic and Top Smash Tennis by Side Kick Games. Users playing games equipped with Extreme Reality's offerings engage more fully with what's going on onscreen.

The idea is that while an individual might be playing at home in their living room, Extreme Reality can help create the illusion of swinging a tennis racquet, steering a spacecraft, or controlling the path of a snowboard. Extreme Reality sets itself apart as the company encompasses users' whole bodies rather than concentrating on hands, and works across devices, unlike hardware-based systems like Leap Motion and Kinect, according to Firon.

Perhaps the company's most notable game partner is SEGA Networks, which uses Extreme Reality for its Go Dance game. "Go Dance utilizes Extreme Reality motion-capture technology to turn the FaceTime Camera into a motion-sensor to detect player's movements while imitating avatars dance on screen," says the company. Bringing Extreme Reality's availability to a mobile platform shows the company is on the move, staying at the cutting edge of both gaming and technology.

On the other side of the spectrum from entertainment, Extreme Reality's solutions can also help enterprises with security and identification. The likes of banks, shopping centers and airports can layer the company's products on top of their current security infrastructure. Extreme Reality's Skeleton Analysis for Loss Prevention and Gait Biometrics Authentication aid customers in recognizing people by their body frame and walk. The first monitors movement in order to figure out if anything strange is going on, then sends up red flags regarding possible malfeasance. The second can leverage security camera footage to pinpoint and keep tabs on a person's walk (which is specific to them). The Gait Biometrics Authentication tool may also be utilized after a situation has occurred "for post-event forensics, precisely identifying the suspect's path at specific times," the company adds.

Meanwhile, Extreme Reality faces the challenge of ensuring customers understand the capabilities of the technology as the space continues to evolve. Extreme Reality counters the limitations of 2D cameras and with regards to gaming, the company inserts individuals into fantastical situations. This is how its earning its name, as ordinary surroundings get turned into extreme ones. RH

company | url | ceo | sector | country | vc$

FACT-Finder

www.fact-finder.com

Carsten Kraus

Internet/Online

Germany

No

» Searching for a product within a website can be a frustrating task. The engines backing the search of an e-commerce site are not up to the speed and accuracy expected by people in today's super-fast digital age. From an online seller's point of view, this can be calamitous for sales, as customers are quick to lose patience if they can't find what they are looking for.

FACT-Finder provides the engine of e-commerce systems, allowing for better product discovery, whether that is through search, navigation or recommendation. In the same way a good car's engine converts fuel into energy, FACT-Finder aims to convert visitors into buyers with the same efficiency.

FACT-Finder's search differs from most engines in that it does not just correct spelling errors, instead it aims to emulate the similarity perception employed by humans. This allows it to find items when there are multiple possible spellings, when they are spelt incorrectly, or even when a user is searching in language unfamiliar to their own.

The market for e-commerce optimization is a large one and the potential returns are huge. Endeca, a company which works partially in the same area, was recently bought by Oracle for $1 billion, while another competitor, SLI Systems, is listed on the New Zealand stock exchange with a valuation of more than $100 million. But FACT-Finder seeks to emphasize the difference between itself and its competitors.

"Our algorithm is a different approach, and with a different approach, we are able to find anything better," explains Carsten Kraus, CEO of FACT-Finder. "The key point here is that we do out of the box thinking and radical innovation rather than just evolutionary innovation. When we address something new, we do it in a different way."

The company holds a patent on its latest technology Worldmatch, which will be built into the next generation of the FACT-Finder offering. This particular system will help bring the company into the Asian market, as it is able to differentiate between the optical features of characters in different Chinese dialects and Japanese. The company is planning to enter the Chinese market in 2015.

Before it does so, however, FACT-Finder is looking for investment. While Kraus says the company would be able to afford a move into China currently, it is not a risk he is willing to take without first obtaining investment. Kraus says he would also use the money to buy companies of interest. "We do have cash and we could buy smaller companies, but if we wanted to buy some interesting companies for us, we could not afford that," he says.

For now, the company will keep innovating and has developed a semantic search with a new approach from any other search engine. Users are able to search for 'Christmas holiday on the beach with my daughter' and the results will show locations where it is warm enough for a beach holiday at Christmas time and suitable for small children. This feature is also set to be built into the main offering in 2015 and is currently being used for travel searches.

Customers already seem pleased with what FACT-Finder has to offer. "The percentage of visits converting to sales has risen by +135% on average since we implemented Fact-Finder on the website. Also, visits converting to sign-up has increased by +346% on average," said the head of digital marketing at Secret Escapes.

In markets such as e-commerce, every data point matters, and any advantage in gaining customers is seized upon. That is why companies with the best technology will always prevail in these types of sectors. FACT-Finder's current tech and everything it has in the pipeline looks set to excel now and in the future. RH

FAMOCO

www.famoco.com

Lionel Baraban

Other

France

Yes

» Near field communication (NFC) is a technology that has almost been smuggled alongside the long line of mobile phone innovations. As a result, the marketplace for its proponents is relatively uncrowded, and FAMOCO can claim with full authority that it is a global leader in next-generation secure NFC readers. The company aims to "fill the gap between contactless card and NFC phones to accelerate the mass-market deployment of any kind of B2C and B2B services."

NFC works similar to previous connective technologies such as Bluetooth. But, as Android Authority's Robert Triggs explains, "due to the use of inductive coupling, and the absence of manual pairing, it takes less than one tenth of a second to establish a connection between two devices (via NFC), a speed which has only recently been matched by Bluetooth 4.0."

With that in mind FAMOCO launched its FX100 series in October last year, a credit card-shaped device for Android that is GSM-enabled, has a touch screen and a dedicated secure element. It sits alongside a three-pronged range of products that FAMOCO is pushing into the world with considerable success.

The firm, which has offices in Paris, Hong Kong and Beijing, also offers its SDK solution, allowing third-party developers to create their own dedicated applications, and an over-the-air management suite, which can deploy real-time reports to clients. FAMOCO scored a major European coup in April this year when Lisbon-based contactless ticketing provider Card4B offered FX100 for its transport ticketing applications.

At the heart of it all, though, is security. "FAMOCO does not have yet a real face to face competitor," says CEO and serial entrepreneur Lionel Baraban. "Anyone can theoretically use an NFC phone to handle their business needs, but experience shows that our best customers are the one who actually tried to use phones. We are more secure, simpler to deploy, easier to manage, but more important, we are a dedicated solution for customers with mission critical needs."

FAMOCO is backed by venture capital from Aurinvest, a Paris-based firm founded in 2001. It also receives investment from FastForward, a venture capital founded by Netgem's Olivier Guillaumin, which Baraban says is adding another layer of expertise to FAMOCO's already esteemed board. In November last year, the company secured $1 million in funds from the two investors, which it claims will help it move into more markets in its home region. "After two years of research and development of the business in Asia, this new investment will help FAMOCO to continue opening new markets in EMEA," said a company statement.

So what's next for the firm in 2014? "In 2014 we simply want to achieve what we have already started: Being the network of acceptance, solution of choice, for any mass-market contactless card deployment," says a confident Baraban. "We are looking at E-government, mobile point-of-sale (MPOS) and business process management (BPM)." Baraban certainly believes in aiming high.

Feedvisor

www.feedvisor.com

Victor Rosenman

Cloud Computing

Israel

Yes

» When the Internet was in its infancy, it was predicted that every man and his dog would soon have their own online business selling products directly to consumers. Today, this dream has translated into an enormous online retail industry dominated by a few key players, notably Amazon and Ebay, that have changed the way we shop.

Sales on Amazon's 3rd party Marketplace, which lets sellers offer their new and used items alongside the online retailer's usual goods, reached $22.4 billion in 2012 according to market researchers Forrester Research. But competition in eCommerce is cut-throat, forcing sellers to become increasingly sophisticated in how they price their wares.

They are turning to firms such Israeli start-up Feedvisor, which provides marketplace re-pricing software that lets sellers constantly adjust their prices to stay competitive. Their signature product is platform that scans competitor's prices thousands of times an hour and feeds these data points into its proprietary algorithm, for which it recently filed a patent. All this number-crunching gives users the power to adjust their prices in real time in order to optimize sales.

Unlike similar products by competitor firms Teikametrics, Sellerengine, and Channelmax, CEO Rosenman claims that Feedvisor's fully algorithmic model is constantly improving as it gathers more sales data from Amazon's API.

"Pricing software that exist on the market today require the seller to define a set of overly complicated pricing rules. These rules often conflict with each other, which can cause extreme price wars. Feedvisor is the first and only algorithmic solution, and we let online sellers outperform their competition without sacrificing their profit margins," said Rosenman.

Rosenman launched the firm in 2010 along with the current Chief Marketing Officer, Yair Margolin, and, Eyal Laxner, the Chief Technology Officer. It has raised over $2 million to date and has the backing of a number of Israeli venture capital firms such as JAL Ventures, Oryzn Capital, and Micro Angel Fund. By the end of 2014, the firm is aiming to pass the $3.5 million revenue mark, with plans to increase that to $10 million by the end of 2015.

The biggest challenge Feedvisor currently faces, according to Rosenman, is recruiting the right people to its expanding team. With such a scalable business in a booming industry, Rosenman is keen to ensure that customer service is not damaged by the firm's rapid growth. Rosenman and his team are currently eyeing up European markets, particular Germany, as being ripe for expansion. Big Data analytics has already revolutionized the financial industry; if Feedvisor can reach its target of tripling revenues in a year, then it may well revolutionize the eCommerce industry too.

Fenergo

Fenergo

www.fenergo.com

Marc Murphy

Software

Ireland

Yes

» It's a fairly obvious statement to say financial institutions value efficiency and time saving devices. But that fact is why the technology companies providing efficiency-boosting services are performing so well. One particularly time and resource-sapping issue for financial companies is the regulatory onboarding process, and Fenergo claims to have the answer to the problem.

Fenergo's enterprise client lifecycle management platform solutions help financial institutions to comply with existing and emerging regulations when onboarding a new client. And after the economic crisis the world is still recovering from, the number of regulations to be taken into account has only gone up.

Fenergo is headquartered in Dublin, Republic of Ireland and has offices in London, New York, Boston and Sydney, Australia. The office in Australia was only announced in September as the company looked to take advantage of demand in the country, as well as Singapore and Hong Kong.

"We are already seeing a lot of demand coming from the APAC region, driven in large part by enhanced and new regulatory frameworks being introduced by the Australian Securities and Investments Commission (ASIC), Hong Kong Monetary Authority (HKMA) and the Monetary Authority of Singapore (MAS)," said Marc Murphy, CEO of Fenergo.

"With the ability to manage the compliance and client and counterparty data and document obligations for multiple regulations simultaneously on a single platform, Fenergo's regulatory onboarding and client lifecycle management solutions can help financial institutions across Asia Pacific to comply fully with regulatory requirements with the help of a centralized source of golden data and onboard institutional clients quickly and efficiently."

Adhering to regulatory requirements is a must for financial institutions when taking on new clients, and Fenergo appears to have addressed a genuine pain point in that process. And the results have seen the company expand across the globe. RH

Hibox

www.hibox.tv

Staffan Granholm

Software

Finland

No

» If there's one market everyone can agree will continue to grow, it's IPTV. Since its tentative first forays in 1995, it has become a behemoth of the telecommunications industry, capturing huge segments of developed markets across the globe. It's little wonder, with that in mind, that Research and Markets caps IPTV growth at a compound annual rate of 19.41% until 2016. By 2019, claims ABIResearch, IPTV will account for 15% of all pay TV subscriptions - or around 161 million customers.

One IPTV firm that has seen its star rise steadily is Hibox, a Turku, Finland-based outfit, that entered the market in 2005 with money from management and employees. In 2007, with several glowing reviews of its offerings in place, the firm was snapped up by the growing Anvia group, which it has been a part of since 2007. Anvia, a multifaceted ICT firm with 738 employees and a 2012 turnover of $157 million, is widely recognized as the market leader for telecommunications in Finland. The company also has offices in the northern Finnish city of Vaasa, and the Austrian capital Vienna.

Since 2007, Hibox has pursued a double-pronged approach to the IPTV field. The first is Aura, a complete IPTV middleware and OTT software platform that delivers TV, video-on-demand and interactive services. Its Smartroom hotel solution offers a rich, cloud-based user interface, and can be paired with guests' own smartphones or tablets. Social media connectivity is also a priority for Hibox, whose platform allows users to, for example, view real-time Twitter feeds during a show.

"For the Telecom providers, our catch-up feature for watching shows you missed and didn't record along with our fully integrated mobile platform has been really popular, especially when combined with their OTT initiatives," says Hibox VP global sales Danny Shaw. "Providers have found that we are agnostic as to which hardware they choose, as long as its web based, and they can expand their customer base beyond their current geographies and provide their local content to expats living in other countries."

It scored a big victory in January 2012, when Finnish shipping company Viking Line teamed up with Hibox to provide an IPTV offering on its cruiseferry the MS Viking Grace - the world's first liquefied natural gas-powered large-scale passenger ferry - which is plying a route between Turku, Finland, and the Swedish capital city Stockholm.

Hibox has targeted developing markets - in particular Latin America and Eastern Europe. It has targeted resellers, integration partners and sales consultants in each region, in an ongoing expansion plan. Last June, Hibox registered another victory when it announced that Taiwan-headquartered Dune HD TV Series set-top boxes would be fully integrated with its flexible OTT and IPTV platform.

But the hotel industry still provides a bulk of Hibox's revenue. Chains including Omena Hotels and Sunborn have ensured a firm hold on the northern European market. You can even watch the Hibox platform at the official hometown of Santa Claus, Rovaniemi, Finland! IPTV and OTT clients include Poland's Multiplay, Bahrain's Nuetel Communications and, closer to home, northern Finnish Telco Pohjanmaan Puhelin Oy (PPO).

Danny Shaw explains the company's market strategy to Red Herring, following its victory in Amsterdam: "For competitors, we work globally, and we run into several regionally focused IPTV/OTT vendors for our target market of tier two and three telecom providers.

"For hotels there are many vendors, two or three global groups and probably 50 focused regionally," adds Shaw. "We have two clients based in the USA who did a search of available systems to expand their WiFi or Internet services into hotels by up-selling IPTV. In each of their searches they evaluated over 60 systems and ended up selecting ours because of the flexible architecture for integration into their other back office systems and because we had a flexible business model and could price to grow as they grew." With a Top 100 Award to add to its growing client base, there may well soon be Hibox offices in a city near you. RH

Hoodin

www.hoodin.com

Marcus Emne

Social Media

Sweden

Yes

» While platforms such as Twitter and Facebook have helped connect the world, linking people to their neighborhoods online has proven more difficult. Patch Media tried to upgrade local news for the digital age and was promptly sold off by AOL for its efforts. The space around community bulletins is intimidating, as success has so far been limited, but some startups believe they have found the right model.

Swedish-based Hoodin helps community members keep tabs on what's happening in their neighborhoods and obtain information straight from the sources they want to hear from most, such as local businesses. Founded in 2012, the company twists the model behind Facebook and forums to switch news-dispersion from individuals' responsibility to the likes of mom-and-pop shops in town, restaurants and more. Hoodin also helps with gathering news, snatching up large amounts of data to deliver insights that matter to users.

"The key is the filtering," says Peter Wendel, founder and managing director of Entreprenörskapital (Ekap). "[Hoodin is] not publishing on Facebook that I ironed my shirt and it was a hilarious time. It's not interesting for my friends, even if I think so."

The company is concentrating on serving and ultimately winning the Swedish market. Co-founder Marcus Emne says the country hosts 280,000 individual stores that aren't international or a national chain. In Hoodin's first year, the platform will seek to make 1.5% of those businesses active paying customers.

Via what Emne calls "the hairdresser Index," Hoodin pinpoints the size of surrounding markets in comparison to Sweden. Using the index, Germany gets gauged as 10 times as large as the Swedish market, Denmark as 0.7 times its size, and the U.S. as 18 times as big.

Hoodin was born out of experiences from Emne's life and background. His father co-founded a company called Swedish Direct Mail and mastered the method of mailing information directly to consumers, bringing Emne into contact with direct marketing from an early age. Later, he served as chairman for a nearly 1,000-member local gymnastic organization. Reaching out to the community and asking people to engage proved time-consuming and expensive, Emne recalls. Rather than a light bulb coming on, the idea for Hoodin arrived like disparate pieces falling together.

The company was seeded with $155,000 from investors Hampus Jakobsson, Mats Lindoff, Menmo Ventures and Ekap. Emne calls the amount pocket change and says he wanted to build the company on a shoestring, as too much money can be too much of a good thing. Now, Hoodin is in the midst of a pre-IPO funding round as it prepares for its upcoming offering.

Hoodin has no competitors of note, according to Emne. What sets the company apart from any would-be challengers is a matter of priority he adds. On one side, there are those who concentrate exclusively on local news –– providing it digitally and at a low cost. On the other side resides what Emne calls "microsocial networks", which focus solely upon "peer-to-peer connecting in the geographical area".

"So either we have the discussion forum around a local geographical decided area…[or] the local news on the other side of the axis - we're actually in the middle," he explains.

The company gathers important local bulletins from legacy media outlets but, instead of tapping individuals for information on a microcosmic scale like Facebook, it counts on neighborhood businesses for news. Enterprises such as cafés and sports clubs understand the pulse of an area and can offer data on the "delta" –– a word Hoodin uses to describe what makes news. The "delta" means something has changed, he continues.

Local businesses also offer insights on internal shakeups: hirings, relocations, and other announcements, says Emne. But other deltas come from outside, e.g. dispatches on the temperature or air pollution, which Hoodin culls from big data analysis. Both types of communication come together on the platform.

In terms of new territories, Hoodin will target Denmark and Germany. But first, the company must tackle its home market, Sweden, where the platform will launch countrywide very soon. "So far we've only been experimenting," Emne says. "Attaining new users that we want to acquire or onboard is a huge challenge." The CEO believes it will take about three years in a particular market before breaking through the red.

One next step for the company: a fresh method for generating revenue by way of a data mart. Hoodin will shortly turn to information and its sale for increased turnover.

By gathering news from those who make it and combining it with big data sources, Hoodin gets to know users' neighborhoods - then ensures the people living within them do, too. RH

HopitalWeb

www.hopitalweb.com

Patrice Vieux

Life Sciences/Biotech

France

No

» Many of the Red Herring Top 100 Europe winners have already been successful businesspeople. However, few can, in addition, claim to have made a game-changing contribution to their home country in the wake of a disastrous event.

Patrice Vieux, founder and CEO of HopitalWeb, is one of those few. A Haitian who witnessed first-hand the destruction of 2010's Haiti earthquake, which is estimated to have killed around 160,000 people. Thankfully for some of those who survived, one of their compatriots was Vieux, who, with his huge knowledge of the private hospital business in Haiti and France, began a period of philanthropy that continues to this day. "Last year we provided 120 beds, two surgery tables, two labs and more," he says.

But if philanthropy is a love of Vieux, so is business. And HopitalWeb, his latest venture, owes much to a long career in the medical field and coding. "Since 2001, I've been running hospitals in France, and 2003 I was really amazed in that when you see doctors in France and all over the world, they always have tons of pens, files," he tells Red Herring.

"It was incredible - the amount of energy spent on trying to gather all the data and documents for a hospitalized patient," adds Vieux. "So I was wondering if there was a software I could use as director. And I didn't find anything to meet my requirements. Something more internet-like. I didn't want something you had to install on every different computer."

Vieux had long admired the stability of Linux, with stability being the key word when developing his platform. "When you're at a hospital it's like being on a ship," he says. "24 hours a day, seven days a week, 365 days a year. Instability can kill. You simply cannot afford it. I was looking for a very flexible but stable solution." Vieux looked to Siemens, Anastasia and others. But nothing worked across the scope of disciplines one finds in a modern hospital.

"So what do you do? You do it yourself. It's like biking: you never forget how to program."

Vieux's first engineer was employed in 2004, with a first program release the following year. Between 2005 and 2007 Vieux had so many people coming to inspect the workflow at his hospital that he decided to start up HopitalWeb. It was a very good idea.

Now the company employs 12 engineers full-time, in both Haiti and France. Vieux's platform now has 20 million lines of code. And this year, when for the first time five French hospitals clubbed together to buy a software they could share, HopitalWeb beat off competition from the giants it had looked to all those years ago. "They can share the same information, which avoids duplication," says Vieux.

HopitalWeb has increased its 2013 revenue by 250% and sales by 167% with a net profit of 280% of last year's. New products are also slated for release, including a special tag which will drastically reduce the terrible risk of babies being snatched from maternity wards. And, as Vieux explains, the healthcare industry is one where local needs are the world's.

"I have a very complete package and software, that took me about nine years to develop completely. Now we have released an English, German, Spanish and Portuguese version," adds Vieux. "Our aim is to get out of France, get into Europe, South America, the States of course." And with a market worth many billions of dollars, growth seems inevitable. RH

Idemama

www.idemama.com

Leslie Kandiyoti Mori

Marketing/Advertising/SOE

Turkey

Yes

» Many products, programs, apps and businesses lack the presentation to succeed. The unfortunate truth of today's fast paced world is that unless something looks good, it is always in danger of being passed over. Perhaps this is the reason why designers are in such demand. But demand pushes up prices, and many businesses find themselves unable to afford designers and design consultancy firms. That is why designer marketplaces such as idemama are finding great success.

The company was founded in Turkey in 2011 by Leslie Kandiyoti Mori and Rahsan Tan. The online crowdsourcing marketplace caters to the needs of businesses and newer enterprises in particular. These smaller and medium-sized enterprises are able to afford professional designers through the platform. Over 4,000 designers are signed up on the site for companies to choose from, and the website provides both sides with contracts, admins, client services and different payment options.

There is competition in the crowdsourcing design market and idemama goes up against the likes of 99designs, Designcrowd and Crowdspring, but the Turkish company seeks to gain an advantage by only allowing designers access to the marketplace after they have submitted a portfolio and been approved by the platform's admins. The Turkish market as yet doesn't have anything similar to idemama and local companies are more keen to use a Turkish language website rather than an international one. The company's other competition comes from freelance designers, more expensive ad agencies and printing houses.

Turkey has over 4 million SMEs, of which 1.5 million are active, according to idemama. The company says the total number of clients it targets in its home country is 1.6 million. The average ticket size for a customer is around $400, meaning idemama's total addressable market is somewhere around $640 million. The cofounders aim to reach 1% of all Turkish SMEs and 5% of startups.

But idemama still faces challenges in Turkey. "Crowdsourcing design is fairly new in Turkey and the system needs to be explained more," says co-founder Kandiyoti Mori. "However, as an emerging market the awareness and demand for branding has been increasing in Turkey. idemama needs to raise its brand awareness and tap into this trend."

Since its founding, idemama has raised two rounds of seed funding and is not currently seeking any more investment at this time. One of the company's next steps is to look at international expansion. There has been interest in the site from Turkish speaking people in countries such as Germany, Switzerland, and Belgium, and the founders believe that Turkic countries are possible targets to market, and efforts in those regions will be increased as a result.

Crowdsourcing has huge potential, and not just for designers. The talent of a number of different workers solving one problem remotely makes for cheap and efficient work. As the number of people in the world with access to the Internet increases, so too will the number of people looking for work on the Internet. Crowdsourcing gives them a viable way to do that, without leaving the comfort of their homes in most cases.

In a recent opinion piece for the Wall Street Journal, Salim Ismail, founding executive director and global ambassador of the Singularity University declared crowdsourcing is here to stay. "When you tap into the crowd, you sacrifice certainty for breadth of creative input. As long as the crowd is large, you have the potential for incredible results at fractional costs," he said. RH

Infectious Media

www.infectiousmedia.com

Martin Kelly

Marketing/Advertising

United Kingdom

No

» The market around real-time bidding is complex, massive and growing at an incredible rate. It represents a worldwide infrastructure where advertising trading takes place between publishers with inventory and advertisers with content. And while some customers are opting for off-the-shelf solutions to build and manage their online display ad footprint, other companies are taking a different approach.

Infectious Media serves advertisers that want more than ad networks, says the company's CEO Martin Kelly. The London-based venture's reach validates the idea that companies seeking out bespoke elements for their advertising present a rising tide.

On any given day the company has campaigns live in more than 50 countries and each month it processes more than 40 billion ad decisions and 100 gigabytes of data across 60 different sources.

Infectious Media leverages Impression Desk, the company's real-time bidding technology. As opposed to off-the-shelf solutions, Infectious Media provides tailored offerings, bringing customized strategy, algorithms and a reporting suite to customers. "We offer our technology platform to a much smaller number of advertisers where the majority of their display advertising goes through us as opposed to a part of it," says Kelly. "We've become a very encompassing solution for them, for their display advertising, which is powered by their own data assets." Currently, the company counts 80 advertisers as live on its platform.

Kelly and his cofounder, Andy Cocker, started in the offline advertising business. Both moved into online advertising when the industry began to take off, but at that time, the idea of transferring the process online was so new that Kelly's friends thought he was heading to the IT department - they would ask him to fix the printer, he laughs. Paid search advertising was just blossoming as well and Kelly recalls buying it over the phone with a representative for Google.

That market was expanding rather gradually, until it evolved into something closer to what it is today. "As soon as [paid search] became traded on a platform and on an interface and using data to drive it, it scaled incredibly quickly, I mean a frightening rate," Kelly asserts. "Agency businesses couldn't cope with that pace of change."

Later, data came to play a crucial role with the debut of ad exchanges, as it drove automation and decision-making with regards to display advertising. When the business started out, the world hadn't quite caught on to the digital switch Kelly and his team anticipated. Combined with worldwide financial turmoil, these conditions prompted Kelly's new company, Infectious Media, to launch and rise bootstrapped.

However, things have changed drastically in the online advertising space. Nielsen released data in January of this year revealing display advertising makes up 4.5% of the total advertising industry's spend -nearly $11 billion of a massive $243.5 billion market at the close of the third quarter last year. It also trumped all other categories with regards to growth, expanding by more than 32%. Meanwhile, IDC, in a report commissioned by PubMatic, in 2013, asserted that the RTB display ad spend will swell to $20.8 billion globally in 2017.

At this point in the game, educating customers is less of an issue for Infectious Media than it was when RTB was just getting started. But though potential clients may understand the company's mission and desire the impact its technology can affect, that doesn't mean that they are set up to make the transformation easy. "To really make this space work, you have to have really deep access to an advertiser's data," Kelly says. "And most marketers do not have a clue how to access that within their organization, because it's locked away in an IT team and in systems that they have no access to."

As of now, Infectious Media has offices spread across Europe; in the U.K., France and Germany, and Kelly says the company's next move will be off continent. Revenues for the year 2012 stood at £13.4 million ($22.6 million) and Kelly forecasts growth at upwards of 50% for 2014. Already a multimillion-dollar business, Infectious Media proves that prioritizing customization is good business in the burgeoning space unfolding around real-time bidding.

Ininal

www.ininal.com

Bulent Tekmen

Other

Turkey

Yes

» E-commerce is one of the largest phenomena of the past two decades, and continues to spread throughout the globe and across more devices. However, there are still barriers preventing individuals doing their shopping online, and one of those is the lack of a credit card. That's where companies such as Ininal help - it offers prepaid cards backed by MasterCard, which allow consumers in Turkey to shop online without the need of a credit card, or even a bank account.

Turkey-based Ininal is the first company in the country to develop a nationwide sales program for reloadable prepaid cards at retail stores, according to the company's website. The Ininal Prepaid Card focuses on e-commerce and a retail distribution model. The company relies on the co-operation of E-KART, MasterCard, ING Bank and Provus Information Services to offer this service.

The company is headed up by serial entrepreneur Bülent Tekmen, who was part of the founding team for five separate Internet startups over four years, prior to him founding Ininal in 2012. Tekemen was selected as an Endeavor entrepreneur in 2013.

"Ininal Card is a prepaid shopping card which is presented with the assurance of MasterCard. You can make loadings on your card with 25, 50, 100, 150, 200, 250 and 300 TL options of amounts. You can safely do discounted online shopping from our merchants and the other Internet websites," the company's website states.

Solutions such as these take out the few remaining obstacles for the progression of e-commerce, and allow people without bank accounts or the means to apply for a credit card to benefit from buying items online rather than in a shop. The cards are not just a solid business, but also a great leveler for those looking to enter the world of e-commerce.

InnoTel

www.innotel.com

Mattias Hansson

Telecommunications

Sweden

No

» In an age when phone calls can seem old fashioned, communication alternatives from IP providers like Skype are rampant. But for the majority of voice-over-IP software, there are still major quality issues to be ironed out.

Most users of IP call platforms encounter problems such as when the web connection gives out or slows and conversations are cut short.

Enterprises need a voice product that delivers excellent sound consistently, yet the majority of players in the over-the-top-content (OTT) space target consumers, which means the needs of business professionals are underserved. InnoTel AB says it offers what B2C providers can't - an enterprise-grade product for online calling.

"Our solution always has good sound quality, similar to the mobile call, and it doesn't matter where you are located, if you are in a Wi-Fi zone or if you are not," says InnoTel AB CEO Mattias Hansson. "[And] we are not using data." These points can become crucial when employees make international calls or conduct business while they are traveling.

InnoTel assuages pain points that crop up over cost and call quality for enterprise workers in the office and on the move. Its product, the SmartCaller app, was built to shrink international mobile rates by up to 95%. When an individual with SmartCaller places an international call, the app inserts a local number in as a middleman. If a user in Sweden calls someone in Germany, SmartCaller rings a local number that gets sent on to its destination abroad. "From the mobile operator you will only pay a local call and if you have a flat rate subscription this call will be free," the company states on its website. The company monetizes by charging users small fees for calling out of their countries.

InnoTel's solution also helps workers address the opposite scenario. It eases the process by which workers call out from other countries, as well as to them. The SmartCaller app counts on the notion that taking calls abroad is cheaper than making them, the company says. Therefore InnoTel has built a system by which travelling users can initiate calls that SmartCaller rejects. The app then rings individuals back and links them with their intended targets.

The space built around OTT providers is currently very exciting. Skype has just decided to make group calling, once a premium feature, free for users. Instant messenger WhatsApp is also integrating free voice calling into its platform. And Viber, another player in the industry where InnoTel operates, was recently scooped up by Rakuten for $900 million. Yet these players compete for an adjacent and smaller opportunity than InnoTel. Hansson puts the roaming market that the company operates in at more than triple the size of the B2C ecosystem, bringing its value to $50million.

InnoTel sells to different markets using different models – direct sales for large enterprises and with resellers for small and medium enterprises. The company also seeks to work with fixed line and mobile virtual network operators (MNVOs) in the future. With that last category, InnoTel can boost margins for telco customers and also cut bills for end users those telcos provide their services to. Meanwhile, InnoTel rolled out SmartCaller in test sales via a major reseller in Sweden during Q4 of last year. In just over a month, that reseller signed deals with 25 enterprises, says Hansson, and it continued to bring on companies serving tens of thousands of people.

InnoTel began through another company Hansson built, OptiCaller Software, whose research and development fueled the creation and launch of SmartCaller. OptiCaller also funded the company along with others. With technology in tow, the company got its start near breakeven point, its CEO says. Now, Hansson's vision for his company involves raising $1 million to $2 million in the near future, $10 million down the line, and expanding the company into Silicon Valley. It has already proceeded towards Macedonia to take advantage of the low-cost environment. Moves past Sweden, which Hansson calls a good test market, into Europe will come soon, especially towards markets such as Germany, the U.K., Spain and France.

The challenge facing InnoTel is simply getting the money it needs to fortify sales channels, explains Hansson. The technology is there, as is the market. The future will see InnoTel tackling another multi-million dollar opportunity.

What's next for the company? The InnoTel smart SIP Trunk, which will enter a SIP Trunk market worth $70 million annually. No wonder Hansson is optimistic about the future. RH

inRiver

www.inriver.com

Niclas Mollin

Software

Sweden

Yes

» Retailers now have ample opportunities to sell to customers across a range of devices and platforms. But to close a sale, those same retailers must make sure they're providing a pleasant and seamless commercial experience. And they need to ensure they're adapting to provide that experience right now.

Product Information Management (PIM) software enables enterprises to cover all their bases in terms of information dissemination and handling. And InRiver AB leverages faster implementation and provides a more efficient product marketing process, as well as a better-controlled, cross-channel approach, according to the company.

InRiver CEO Niclas Mollin and his team found the inspiration for, and then named inRiver after, a powerful element of nature. Before the Swedish company was founded in 2007, Mollin and others became interested in the large rivers running through Sweden. They saw towns set up at the rivers' edges, as well as machinery tasked with directing the flow of water and balancing its level. While those towns could face the threat of flooding, innovation had helped curb the sheer power of water, a formidable force. In the rivers, the group behind inRiver saw a parallel to data: information proliferating at speeds that accelerated each day and each year, according to Mollin. InRiver (a merging of information and river), was born out of the idea that information needed directing just like water.

The company, headquartered in Malmö, is tackling a $1.6 billion market opportunity, only taking into account big enterprises, says Mollin. Meanwhile, his company has focused on and achieved success in mid-markets, which it serves along with larger customers. Taking these midrange companies into account bumps the opportunity size up to "a couple billion", Mollin continues. Gartner's figures agree. One space inRiver serves is the Master Data Management (MDM) industry, a global segment that the research firm forecasted would swell to $3.2 billion by 2015 from $1.9 billion in 2012.

InRiver's PIM Software facilitates this process for enterprises, and ultimately, solves issues for consumers. Mollin takes the example of a customer buying a camera. If information about that piece of equipment fluctuates depending on whether a person is online, in a store, or browsing via a reseller like Amazon, confusion and agitation sets in.

But inRiver "[helps] companies to get all the information regarding their product offering in one place, and then we divide it up into many places," Mollin says. That information can then be accessed online or offline.

The company builds its moat based on its intuitive approach, agility and implementation time. Integrating inRiver's software takes one-third the time it would with an alternative product and it has also changed up its model, which sets it apart from competitors, Mollin asserts. Rather than a pure licensing setup, inRiver has introduced subscriptions.

"I've looked at some of the bigger players, and they're absolutely much more complex when it comes to the whole integration piece, the cost of doing it, and the challenge you have with the service resources you need in order to get these solutions up and running," says Magnus Lindhe, partner at Zobito, which invested in the company. "With solutions such as inRiver, you solve a problem that more or less everyone has in that space, you do it with technology that makes it cheaper, simpler and faster."

Even with clear differentiation, obstacles remain. "Our revenue is 90% software and 10% is from a partner academy; its training, certification, expert knowledge," says Mollin.

"We bring our expert team in to help partners get going with their first product. That's been a challenge for us, before we brought in equity, working with cash flow, working with all those margins, and continue to develop software and grow the company."

Securing capital has helped free the company to get the right partners onboard, as well as hire the right employees. Last year, inRiver gained $3.1 million in an equity fund raise; investors included Industrifonden and Zobito. Now, the company is in the midst of raising more capital.

Today, inRiver has customers in 15 countries. Growth at inRiver for Q1, 2014, hit 140%, a boost of 40% over 2013's rate of 100%. bAs long as shoppers stay on the hunt for the next big item, enterprises will need to keep pace with the information available on these goods. inRiver aims to guide them through this on an international scale. RH

INSOFT

www.insoft-dc.ro

Cristian Aciubotaritei

Software

Romania

No

» When Cristian Aciubotaritei co-founded INSOFT Development and Consulting in 2008, his home country of Romania was going through a period of rapid development.

In the preceding decade, Romania had undertaken widespread structural reforms to stabilize its weakened economy, which was once on the verge of collapse after 40 years of rigid central planning under Soviet rule.

In 2007, the European Union rewarded Romania's efforts by approving its membership into the E.U., the world's richest trading bloc by GDP. E.U. ascension meant Romania was eligible for billions of Euros in E.U. grants and structural funds. One of the most pressing areas for investment was the country's information and communications technology (ITC) sector.

Despite the lack of infrastructure, Romania's workforce has long been a European leader in the ICT market. In 2001, it had the highest number of certified ICT specialists in the continent with over 16,000, which is also the sixth highest in the world. This combination of skilled labour, a newly deregulated economy, and an influx of E.U. funding made the sector a profitable place to be for a new information technology start-up such as INSOFT.

"Within a relatively short time, we have managed to become one of the main integrators of complete ITC systems in Romania. Our team has increased in just three years from 10 to 150 specialists," says Aciubotaritei.

In 2012, the firm booked over 16 million Euro ($21.6 million) in sales, representing a tripling of revenues year on year. Last year, revenues were close to 20.5 mil Euro ($27.2 million) and in 2014 are projected to reach 26 million Euro ($35 million).

Much of INSOFT's work involves developing various 'e-government' solutions in the fields of education and health. Its e-Learning platform, called learnIN, has been adopted across the country, while the company has developed a suite of content management systems that can be customized for both private and public sector clients. According to Aciubotaritei, the Romanian state has dedicated up to 4 billion Euros ($5.4 billion) in European Union funds to IT spending.

However, shortfalls in administrative capacity meant that Romania has squandered much of the funds available to the country. It has one of the lowest 'absorption' (spending) rates, around 15%, of E.U. structural funds in the continent, plus access to these funds are set to expire in 2015.

INSOFT's market is also highly competitive thanks to Romania's reputation as a hub for ITC outsourcing. The country is home to a number of large U.S. I.T. companies such as Oracle, Microsoft, HP, and IBM, but INSOFT sees local I.T. systems integrators as its main competitors. Within the e-learning sector, where INSOFT plans to focus its international expansion, it faces competition from specialized firms such as SkillSoft and Young Digital Planet.

"When INSOFT joined the domestic profile market, there was already a pool of large companies holding a monopoly who were consequently hard to compete with. But, we overcame this with professionalism and strategic planning. We have the courage to take on a lot of projects as well as a very young team who work about 24 hours per day," says the CEO.

Attracting the most skilled workers is a priority for INSOFT. This year, for example, Aciubotaritei has personally chosen 60 students from the nearby university to intern for the company over the summer.

More than 80% of the current INSOFT team has a strong background in software development, and the company invests heavily in research and development of new software products. This commitment to youth and innovation should help INSOFT sustain its growth trajectory, while avoiding the inertia of more mature companies.

One its most exciting R&D projects is CREVIS, an immersive virtual reality system for testing and modeling critical infrastructure such as bridges and road networks.

So far, the company has been able to fund growth through sales without compromising on strategic investments. But, INSOFT is now actively seeking outside financing to support its business and geographical expansion. Over the next 18 months, Aciubotaritei plans to strengthen existing projects in Ukraine, Slovakia, Moldova, and Turkey.

The long term demand for INSOFT's products should remain in this underdeveloped region. However, with Romania's access to E.U. funding due to shrink next year, the firm will need to develop new products and markets to keep growing. RH

Invesdor

www.invesdor.com

Lasse Mäkelä

Venture Capital/Investing

Finland

No

» "Crowdfunding is no longer a trendy buzzword," cooed Venture Beat this January. "It's a movement with active participants, proven financial potential, and maturing seemingly by the month." Some months on and it appears that Venture Beat was right: crowdfunding has indeed taken strides in becoming a bona fide market in a frighteningly short space of time. At the top of the agenda is equity crowdfunding. But because of difficult and evolving legal frameworks, the market is currently fragmented. That's where Invesdor comes in.

Lasse Mäkelä began his financial career in London at Merril Lynch in 1997, spending four years as an investment banker offering equity and M&A consulting. Then he moved back to his native Finland, where he has held several roles in the field. By 2011 Mäkelä had co-founded Brainshop.com, a talent pool for creatives in the Nordic region.

But Brainshop had a problem. It needed funding, but it also involved a lot of freelancers. Mäkelä thought that it would be great if they could be given shares in the company, to allow them to feel more involved. "At that time we started to wonder where we can get this share offering to be done," says Mäkelä. "There were Crowdcube and Soonbid in the U.K., but in northern Europe there were no companies in that field."

Because of legal difficulties neither of the British firms could help Brainshop. Mäkelä was sure other companies in the Nordic region were in the same position, so in 2011 he began work creating Invesdor, a crowdfunding service dedicated to Northern Europe. In May 2012, the service went live with six founding members. It has rarely looked back. Today, Invesdor commands 60% of the Finnish market and has since expanded to allow Swedish, Danish, and Estonian companies to use its services, which it claims will "ease and democratize" investments.

"So far more than 300 companies have done applications," says Mäkëla. "59 have been accepted to the process to raise funding. And of those, 17 have had successful equity offerings. We've so far raised about $3.1 million, so we are still small. But if you look at last year, we had a turnover of $122,000. The year before it was $12,000. That shows that we are really at the beginning, but we are really well known in northern Europe, and when people look at equity crowdfunding, we are in the top ten."

The company has thus far raised $340,000 from its founders' pockets and two local wealth management firms, whose 60,000 customers Mäkëla sees as a huge boost to the knowledge being pumped into Invesdor. "We have a small round open at the moment," he adds, "and we've opened the possibility for the people who have invested through us, as a gratitude for them being behind us from the beginning." This summer Invesdor is aiming to bring in larger amounts in the summer, as the market, Mäkëla claims, consolidates.

And the total addressable market, should Invesdor continue to expand, is massive. "The Crowdfund Global Expo presents the leaders of the investment and crowdfunding industries," writes Venture Beat. "Dr. Richard Swart, who heads the Crowdfunding Research Program at the University of California, Berkeley, has cited several experts who project that the size of the securities crowdfunding market will range from '$3.98 billion (Nest, Neiss, Stralser & Fleming 2013) to as much as $300 billion over the coming years depending on the level of enabling regulation adopted by governments.'"

Mäkëla is looking to that top number with excitement, and points out a 40% market growth for the next ten years. But what astounds him the most is how crowdfunding is changing the way companies raise money. "What I'm seeing on the stock exchange is that before, you called a broker to buy shares. But now, most people do their trading on online banks.

"I'm seeing the same transformation in the fundraising business," he adds. "We're taking the bankers and brokers with their pinstripe suits, and making it lean with the Internet. Transaction sizes can be much smaller and the costs can be much lower. The whole fundraising business is changing. I'm extremely thrilled I can use my information to do things differently, break the old structures." RH

Invoice Sharing

www.invoicesharing.com

Jeroen Volk

Internet/Online

Netherlands

Yes

» In a world where email has killed the hand-written letter and MP3s have surpassed the vinyl record, only 8% of the 330 billion invoices sent around the world each year are processed electronically.

Electronic invoicing, or e-invoicing, is a $67 billion growth industry with a roughly 20% increase in the global volume of electronic bills each year.

Invoice Sharing is a Dutch start-up looking to disrupt this sector with a 'freemium' business model and open-source philosophy.

The story of Invoice Sharing began with an e-invoicing company called TBlox, which CEO Jeroen Volk founded over nine years ago. In 2013, Volk and TBlox CTO Vincent Prooij decided to spin off the digital invoice sharing portion of TBlox into a new company which they run today.

"Usually invoicing platforms are built as closed systems (which place restrictions on what other software they can interact with), but me and Vincent both are strong believers in open systems. We wanted to build something that was open to everybody," says Volk.

Their knowledge of this highly competitive industry led them to adopt a high-volume, low-cost business model that offers free digital invoicing with added premium features. Customers pay nothing to send, receive and validate a capped amount of invoices electronically. Then for a monthly subscription of up to 499 Euro ($670) they can make use of premium features such as an automatic 'accounts payable' function.

Despite a multitude of firms offering electronic invoicing services, the sector is fragmented in terms of features each offer. Most firms are focused on large cap companies for their customers.

Invoice Sharing's main competitors are the U.S.-based Tradeshift and Taulia, a five-year-old firm that turned over $11.3 million in 2012.

"There are thousands of companies in this world, but they only connected to one or two other systems and they are very costly. We connect to our platform in XML and then output the same invoice into a different platform, so it is very open," says Volk.

This open source approach makes Invoice Sharing stand out from the pack and the firm is already gaining recognition in the startup world. In July of this year it was selected by Startupbootcamp to join its London-based finance technology accelerator program.

Over the next year Volk plans to launch Invoice Sharing in more European countries, starting with the U.K., and then the U.S. in order to continue building its brand. A few big name clients would help establish the start-up as a serious player and persuade customers to pay for its premium features. RH

IXL PremFina

www.ixlpremfina.com

Bundeep Rangar

Banking/M&A

United Kingdom

Yes

» Stricter lending standards and capital requirements imposed by regulators on European banks as a result of the 2008 financial crisis have made it difficult for many small and medium-sized companies to raise the capital they need.

According to a recent survey by the European Central Bank, the proportion of small and medium-sized enterprises being refused bank loans is on the rise. From 2011 to 2013, the rejection rate across the continent increased from 10.9% of companies surveyed to 12.6%.

In some countries, such as Estonia, Ireland and Hungary, the rise in rejections has been three times as fast. Companies in the Netherlands and Greece have the hardest time getting a bank loan, with more than a third of firms turned down in the six months before the 2013 survey.

This drawback by traditional lenders has presented a lucrative opportunity for financial service firms with confidence in their own risk control systems. One company taking advantage of this demand for capital is IXL PremFina, founded and run by Bundeep Singh Rangar, a financial consultant whose previous firm, Indusview, advised Western companies investing in India.

"A lot of companies from India were approaching us for financing and we were struck by the rates they were willing to pay, it was in the high teens," recalls Rangar.

"So we started IXL in 2011 as a separate company, partnered with a bank in Germany, saw this arbitrage opportunity, and started lending," he adds.

The firm's main customers are other financial service companies that themselves make consumer and business loans. IXL PremFina can provide instant liquidity of up to £100 million ($168 million) to these alternative lenders, giving Rangar's company a decent spread while avoiding the high cost of managing numerous individual consumer loans.

The challenge, according to Rangar, is to find sub-prime lending opportunities with companies that have strong risk controls as well as some kind of unique competitive advantage.

Its two most recent investments areas are in premium financing, which are loans to cover the cost of an insurance premium, and guarantor loans which help young professionals pay down deposits for apartments. The firm is getting ready to make $50 million available to the premium finance market and has an extra $30 million lined up for the guarantor loan business.

IXL PremFina was itself initially financed by Rangar's friends and family, who raised 1.5 million euro ($2 million), but the firm is currently looking for strategic investors. This should not be hard given that this year's revenues are close to £1.8 million ($3 million), according to Rangar, who is targeting a doubling of revenues each year.

To do this he will expand the company in Europe initially, with a focus on Scandinavian countries, Germany, Spain and Ireland, followed by Canada.

With E.U. banking regulations likely to become more restrictive on the continent's major financial institutions, it seems likely that more companies will be forced to turn to alternative financing means.

JustAd

www.justad.mobi

Yariv Erel

Marketing/Advertising/SOE

Israel

N/A

» As smartphones become ever more powerful, they can now perform a dizzying array of roles from mobile office to entertainment centre. One area that is relatively underdeveloped but growing rapidly is mobile e-commerce.

A recent industry report by InMobi, an independent mobile advertising company, predicted a 15% increase in mobile commerce in 2014. Market researchers, eMarketer, claim that U.S. companies will be spending up to $94.91 billion on mobile advertising by 2018, over three times the current level.

JustAd is an Israeli startup hoping to profit from this trend. Founded in 2009 by CEO and founder Yariv Erel, its main product is a software platform which allows advertisers to easily create their own media-rich digital adverts designed specifically for mobile devices.

JustAd sees itself as a technology company rather than an online advertising firm, so Erel, does not count companies like Facebook, Google, or Millennial Media as their main competitors.

"We are in a niche market, and our customers could be anyone in the advertising value chain. Our platform is built entirely in HTML5 and does a lot of heavy lifting. The software has over 400 features, and users can drag and drop images to create the adverts themselves; it's simple to understand, and you can take it anywhere," says Erel.

The Tel Aviv-based firm started out trying to corner the even more niche market of advertising on televisions connected to the internet, also known as Smart TVs. JustAd was the first to build a platform for these new devices, which many technology pundits thought would quickly replace traditional televisions. But the trend failed to catch on among consumers and JustAd's revenues were too low to be sustainable.

Two years ago, Erel made the tough decision to change course and retool their platform for advertising on mobile devices. After first selling services in Latin America and Eastern Europe, JustAd is set to expand into the U.S. with a more mature product. But the firm faces tough competition from Celtra, a U.S.-based company with a similar offering called AdCreator 4. Nevertheless, JustAd plans to disrupt this incumbent through a mixture of product differentiation and aggressive expansion.

"We see more competitors, each one with their own different angle and functions. We're doing it all in HTML5 and, obviously, we think our platform works the best. We are extremely aggressive, in a good way, and try to give our customers all the support they need," explains Erel.

JustAd faces the same scaling problems shared by thousands of startups trying to make it big in the U.S. The company is currently going through a round of funding, which should raise $3 million to $5 million by the end of the year, according to Erel. There is no doubt however, that mobile advertising spending is set to rise dramatically in the coming years, and if JustAd can capture a fraction of the U.S. market, then it could grow to become a major player in the space.

Komfo

www.komfo.com

Rasmus Møller-Nielsen

Software

Denmark

No

» Social media marketing is unequivocally on the rise. According to a report this year by the Social Media Examiner, a massive 92% of marketers indicate that social media is "important for their business" - up from 86% in 2013.

Komfo, a Copenhagen, Denmark-based firm, is offering a comprehensive suite of analytics, monitoring, managing, and publishing under its brand. Since 2008, the company has expanded into several markets worldwide and counts some huge multinationals among its clients - not least Maersk and L'Oreal.

And, according to CEO and co-founder Rasmus Møller-Nielsen, "most of the largest companies within finance and insurance" are on board with the Komfo suite. "Using our tools they learn how to make content creators and advertisers collaborate and how to automate processes that save enormous amount of time within their organization," he adds.

Møller-Nielsen admits that most companies are capable of realizing what they need to do in order to affect good social media marketing. "They know the value of engaging content and they understand that free distribution on a social network like Facebook belongs to the past."

"One of the major challenges, however, is to make the organization leverage the potential having in mind the scarce time the teams have," he adds. "This can't be solved only by adding more people to your team, as you need to interpret and be proactive in real time in order to leverage the full potential."

It's little surprise that Komfo, created in Copenhagen, one of the design capitals of Europe, should pride itself on a sleek, easy-to-use design that Møller-Nielsen claims has won a great percentage of its users. "Making enterprise software today is a different task than making one just five years ago," he says. "Tools like the Komfo suite we develop are primarily used by marketing and communication teams, and not by IT teams. Our users have very different roles using our software, and they are expecting clean and user-friendly interfaces customized for their individual needs.

"At the same time, they expect to be able to work in the same way also on mobile platforms," adds Møller-Nielsen. "From the early days, our philosophy has been based on lean Nordic design principles, and we are really seeing the benefit of that philosophy as time spend per user has increased significantly year over year."

Komfo was owned fully by its founders for four years. But in 2012, software developers, Sitecore, purchased a large minority stake in the firm, adding "valuable" experience in scaling software operations globally - which will comprise the bulk of Komfo's business strategy this term. "The strategic alliance with Sitecore always makes a lot of sense when looking at the data integration possibilities between the two platforms, and we are looking forward to reveal these opportunities for our common customers during 2014," adds Møller-Nielsen.

"During 2014, we are continuing the internalization of Komfo, and we are looking forward to take the company to more countries in Europe as well as North America and Australia," he adds. "These are very exciting times for our team and our partners, and we are looking forward to keep realizing our ambitious plans." RH

Madgic

www.madgic.com

Olivier Chouraki

Mobile

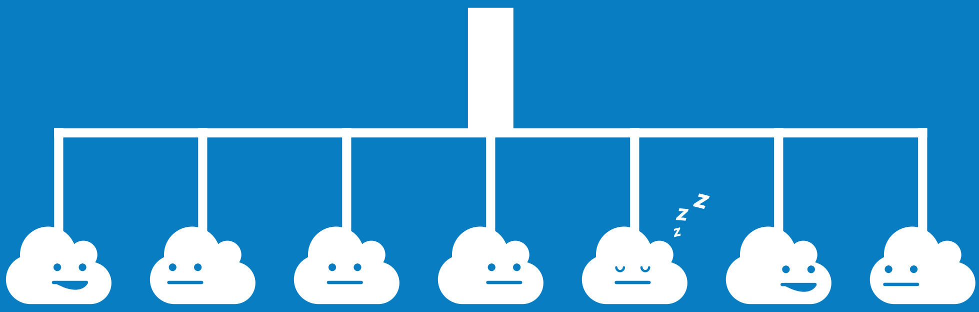
France

No

» Mobile has now become "the priority" in advertising, according to Paul Coggins, vice president of mobile at EBuzzing. His recent Guardian editorial will have gone down well with Olivier Chouraki and his team at Madgic, who've been making strides in the field since 2007 - if not always under the Madgic banner.

"By next year, we expect to see mobile as a key part of every brand's advertising strategy," argues Coggins. Chouraki, CEO of Madgic since its inception seven years back, agrees - but adds the caveat that advertisers need a little time to be fully convinced. "Before getting a good return from their advertising campaigns, (advertisers) need well-designed smartphones and tablet apps, or a fully functional mobile-optimized website," he says. "They need a set of banners for various mobile devices and they need to gather some experience using mobile targeting."

Thankfully for Chouraki, that's exactly what his team has become a leader in. Madgic's mobile advertising optimization platform has delivered upwards of ten billion ad impressions on a truly global scale, penetrating 200 countries with a 90% fill rate and a 0.1 second response time. Chouraki's own experience in software spans almost two decades, having worked in the automotive, recruiting, and telecommunications industries. So it's from a position of experience and authority, he lists some of the challenges mobile still faces today.



"I think that mobile is complex, and I think that mobile is different from PC," he says. "mPayment and mCommerce are still immature, and the mobile advertising value chain still lacks fluidity and critical mass. We have been a part of it since 2007 and have seen tremendous growth and progress, but we are still at the beginning.

"Maybe the very fast growth of the mobile industry is precisely the reason why mobile advertising is still immature," adds Chouraki. "The rest of the economy couldn't adapt as fast."

Madgic itself was not born of a standalone business concept. It was the brainchild of a group of advertising executives who were frustrated with how badly mobile was being optimized. Research began in 2009 to find the solution, funded by Chouraki, his friends, and family, which provided 70% of funding. Other cash came from advisors, with the final ten supplied by angels.

In March 2011, Madgic had its platform, which returned $120,000 that year. The following year, Madgic produced $400,000 - and in 2013, the company made $1.1 million. "Over the last 5 years, we have received about €1 million from business angels and the team, but our funding mostly comes from the business itself," adds Chouraki.

Following Madgic's success at Red Herring Top 100 Europe in Amsterdam, Madgic will be trying to expand into other markets, and to add partners to the business. A funding target of $2.7 million has been set, so that the company can scale more easily.

As Chouraki puts it, Madgic is in for an exhausting 12 months: "We'll keep increasing the mobile advertising revenue of our publishers: sourcing more and better mobile advertising campaigns from even more demand-side partners; increasing the value of our inventory by collecting more targeting data; supporting new advertising formats; opening up offices in NYC, Singapore, and Tel Aviv, and setting up data centers in Europe and Asia, closer to some of our partners; adapting to the requirements of digital media companies coming to mobile; designing a new self-service portal; automating and staffing our back office and customer support." RH

Maeglin Software

www.maeglin.com

Jean-François Auriffeille

Mobile

France

Yes

» A year before the iPhone was released to the public, Jean-Francois Auriffeille heard from a friend about what Apple had in store. It was enough to convince him to leave his job as an MD at a French VC firm and join the smartphone movement. In 2006 he founded Maeglin Software SA to facilitate peer-to-peer exchanges for the mobile industry; its services are now used around the world, in countries as far afield as Vietnam and Iraq.

Maeglin offers six services through its flagship product Pleex: Pleex Shield, which enables geolocating and the remote locking of a customer's lost phone, Pleex Backup, which stores contacts, pictures, videos and documents to the cloud, Pleex Migrator, which facilitates the transfer of contacts from one phone to another, Pleex Kids, which blocks content deemed unsuitable for children, Pleex Social, which promotes file sharing, and Pleex Enterprise, which offers data protection and sharing services.

While there are certainly other companies that offer similar services, if not the same full suite, what distinguishes Maeglin is its focus on developing its products for emerging markets. "In a U.S.-centric view you pay for your smartphone by use, but a lot of the world uses plans. We get this, so when carriers are looking for partners who can drive revenue, we are one of them," Auriffeille explains.

While Auriffeille concedes that "you don't have that capital access in Europe" when compared to the U.S., he is nonetheless excited about Maeglin's future growth prospects. In its early stages, the company received venture funding from CDC Innovation and Innovation Capital, with additional support coming from Languedoc-Roussillon, LR Incubation of Crealia, and BIC Montpellier-Cap Omega. Today, the company generates $2 million in annual revenue, 90% of which takes the form of recurring cash flows. The $2 million number represents 60% growth from the year before.

Moving forward, Maeglin is well-positioned to capitalize on the trend towards mobile devices, while its Shield, Social, and Enterprise services businesses are particularly conducive to a mobile enterprise work environment. In addition, the company will continue to grow alongside the expanding mobile user bases of emerging markets. "I've never been [to the country], but we have 100,000 people using our service in Iraq," says Auriffeille. As the Maeglin CEO will attest, it is certainly an exciting time to be in mobile software.

The mobile device security software market is set to reach $3.4 billion in 2018 according to Infonetics Research. "The triple threat of bring-your-own-device (BYOD) as a dominant enterprise trend, an increasingly hostile threat environment, and the deluge of frightening revelations about privacy courtesy of the NSA is forcing enterprises and consumers to invest real money in mobile device security. The mobile device security software market grew 40% to cross the billion-dollar mark in 2013 and we expect it to grow to $3.4 billion in 2018," says Jeff Wilson, principal analyst for security at Infonetics Research.

Worldwide revenue for mobile device security software was up sequentially in Q4

2013, to $385 million. And consumers are, according to analysts, beginning to realise the benefit of employing third-party software to protect their sensitive data. And with smartphone users set to total 1.75 billion, and total mobile use expected to reach 4.55 billion - almost two-thirds of the Earth's population - there seems no ceiling in sight for the market.

Magisto

www.magisto.com

Oren Boiman

Mobile

Israel

Yes

» Social media platforms such as Facebook and Instagram have revolutionized the process of sharing photos and videos amongst friends, family and even the general public. According to a Business Insider article, 350 million new photos are uploaded to Facebook each day. The pictures and videos are primarily uploaded the same way they were taken - natural, unedited and unembellished. Many others are not shared because people perceive them as boring and unflattering. To a company based in Israel, this form of impersonal and selective sharing is a problem that needs a solution.

Founder and CEO of Magisto, Oren Boiman, realized after the birth of his first child that making a personal home video was complicated. Researching the science of Video Vision at the time, Boiman conceived Magisto as a way to make it easy, simple and automatic for someone to create a personalized video that they could be proud of.

Magisto, founded in 2009, launched its new sophisticated technology platform in January of 2012. The platform is a highly intellectual video editor. While tools like Apple's iMovie are designed to assist and collaborate with video editors, Magisto has created a technology that self-edits. It strives to understand the consumer and the message that the consumer wants to share, whether it be humor, emotion or sympathy, and compiles an edited video based on the photos, video clips and personal preferences the consumer inputs into the application. With this solution, Magisto aims to add life and character into the final video, in turn encouraging more meaningful sharing.

"Video editing is a complicated form of art...it's extremely time consuming. The solution now is to do nothing [about videos] and we think this is a sad, under-optimal solution," says Boiman. "This is what we are trying to fix at Magisto, beyond just analyzing what the computer sees, we are also injecting a set of emotions...so now we can make your movie feel cool, sentimental or funny."

With an application available for IOS, Android, and usable across all platforms, developing the complex level of technology required to create a smart video editing computer has been long and arduous. As a result, the company sees itself as the only real player in an industry with partial competitors. Other companies create tools for video editors to utilize, but Magisto is the only platform that can perform the functions of a live video editor, according to its CEO. A new automatic video analysis function from Google is a competitive product, but in Boiman's view, the market opportunity is as large as every single person who uses a smart device - in other words, the opportunity is gargantuan.

The company has received funding from a few different sources: the first round came in 2010, with a series B round of $5.5 million coming from Hong Kong billionaire Li Ka Shing, according to TechCrunch. Over the past few years, Magisto has been backed by investors including Magmar, Horizon Ventures, and Qualcomm ventures, explains Boiman, a significant testament to the promise the company has shown.

Smart device users can download the Magisto application for free and the company monetizes by charging for premium subscriptions. Indeed, almost 70% of conversions from the time of download to the purchase of a premium subscription happens in the first 24 hours, with people immediately wanting to use Magisto to its fullest. According to the CEO, Magisto is currently the top grossing photography and video-editing application.

Primarily a B2C business model, Magisto is now looking to grow by working with businesses and enterprises. Some of the brands that Magisto has teamed up with include the Discovery Channel and NBC Sports. Boiman envisions a solution where a brand can engage with a consumer by injecting the brand essence into a personal video, for example mashing some Discovery Channel clips with a video that includes elements directly personal to the client or customer. If the solution can be cracked, he believes it could revolutionize the way brands interact with their clients.

With 35 million users and 250 million experiences shared, according to the company's website, Magisto has already proved its solution is heavily desired. The platform has been adopted globally; 20-25% of the customer base is in the U.S., with the second largest in Russia, followed by strong usage in areas such as South America and Japan.

The challenge now is to build out the product and perfect the user experience, from the moment a user captures a photo or video, to the moment it is shared. If the company can succeed in working out the kinks of that process, anyone with a smart device can become a qualified video editor in minutes, and share their professional-looking content instantly.

MangoPay

www.mangopay.com

Céline Lazorthes

Internet/Online

France

Yes

» European innovation in online payments was rated the lowest in the world in a report by Anthemis, owing to the region's "stranglehold of regulation of a fragmented payments landscape and the overhang of the banking crisis." Despite this, Business Insider analyst John Heggestuen predicts that, in 2014, "the payments industry will consolidate and mature at a rapid pace."

France has long been a roadblock to European payments innovation, with a high time-to-market and reluctance for homegrown entrepreneurs to test their innovations out on their local market. However, Leetchi.com has bucked this trend. Since its November 2009 inception, the Paris-based firm, an online money collection platform, has won the plaudits of many of technology's big names. Wired magazine named it the best French startup of 2013, while TechCrunch said that Leetchi is "the leader in social payments."

"When I created Leetchi.com in 2009," says CEO of Leetchi and MangoPay Céline Lazorthes, "I dreamt of having this kind of solution in my hands!"

In 2013, the $7.9 million VC-backed company was looking for a new challenge. It already had 500,000-plus users on its site and had launched an iPhone app. The company, which employs 26 people in Paris and Luxembourg, is backed by groups such as Kima Ventures and 360 Capital Partners.

And so, in seeking that new test, MangoPay was born. "A full stack online payment solution, MangoPay is the result of Leetchi having become an official European electronic money institution in December 2012, used to power their B2C social payments solution," says Rude Baguette's Liam Boogar.

MangoPay launched in April of last year, with 30 clients including Zenwego and Payplug, charging 1.8% plus $0.24 per transaction, putting its fees in line with competition like Paypal and Stripe. "I will be curious to see whether MangoPay's differentiation and vertical focus will allow it to gain major traction - namely, whether their verticals are really in need of a vertical-specific online payments solution," adds Boogar. "But, for now it seems, they've got a pretty unique positioning."

MangoPay, headquartered in Luxembourg, offers users a clear and easy-to-use interface, and offers payments in eight currencies: the Euro, British pound, U.S. dollar, Swiss franc, Polish zloty, and the Norwegian, Swedish and Danish krone. The Australian and Canadian dollar will both soon be added to its repertoire. MangoPay is a 'white label' solution, meaning that users issue e-wallets to clients themselves. A number of payment methods are accepted including Visa, Mastercard, Giropay, ELV, and IDEAL. "New features include in-app payment using card 'tokenisation', which allows merchants to receive payments without users leaving their platform," writes TechCrunch. "It also has new open source development kits to make integration easier."

By February, the company had accrued 150 clients across Europe. Last year, MangoPay handled over $67 million in payments in the year of its foundation. That number is expected to rise significantly this term. And with financial technology firms now thriving across Europe - especially in the UK and Ireland (London-based Currency Cloud, which works with MangoPay as a platform customer, has made headlines by processing $5 billion of international payments in just two years) - perhaps, finally, MangoPay can help some of that innovation drift across the channel. RH

MassiveImpact

www.massiveimpact.com

Sephi Shapira

Marketing/Advertising/SOE

Israel

Yes

» Mobile advertising as an industry is in constant flux and, according to Sephi Shapira, CEO of mobile ad company MassiveImpact, nobody really understands it. Current models and businesses in this ever-changing space won't exist in five to seven years, he says. But out of the dust settling from the perpetual shakeups, Shapira has noticed two camps of mobile advertisers emerge; those focused on transparency, and those that concentrate on performance. All the first party, the brands, want out of advertising is reach. The second group seeks something more tangible. Their sole goal is to turn every dollar spent on advertising into a profit.

MassiveImpact provides a solution for companies that fall into the second category. It promises advertisers returns on their investment via its performance-related business model, and also enables publishers to monetize inventory better. While competitors get paid when ads get clicked or displayed, MassiveImpact only collects from customers when sales happen.

"We don't get paid for presenting an ad, for an ad being clicked on, for an app being downloaded, for anything intermediate," says Shapira. "Just when one of our advertisers actually sells the product, so we actually drive transactions."

MassiveImpact offers a fully automated, patented end-to-end approach driven by technology called TargetAdLive. Shapira calls it pure programmatic. Previously, advertisers had quite a bit to do manually to track and manage advertising campaigns - MassiveImpact aims to remove that need.

"The MassiveImpact platform is a game changer for ROI-focused advertisers, who can now target users based on their likelihood of monetizing instead of their likelihood of downloading an app or opening a page, which wastes millions of dollars and billions of ad impressions," asserts William Bao Bean, managing director at SingTel Innov8, a MassiveImpact investor.

The mobile advertising network only serves m-commerce companies, with all their revenues derived from advertisers hoping to hawk their wares on mobile phones, says Shapira. It operates in the larger ecosystem that is mobile advertising, where publishers offer inventory or ad space to advertisers who have a budget allotted to sell product: advertising. That entire industry, Shapira gauges, stands at $20 billion a year, and is split between mobile search and mobile display. Within that latter segment, 44% of mobile advertisers use ROI or conversion solutions of one kind or another, while the remaining majority resides in the first camp of advertisers concerned solely with reach. This target, which MassiveImpact markets to, powers an industry he estimates to be worth between $4 billion and $5 billion.

The Israeli company works with hundreds of advertisers on a global scale, and hits 100 billion users. Its top 100 customers spur most of the MassiveImpact's revenues. Typically, this top slice of clients contains tier one public companies with international operations. Among the enterprises it serves are Baidu, Cigna, Citibank and Gameloft.

Before MassiveImpact, Shapira founded Interchan, a mobile content provider that looks similar to the advertisers that his new company caters to today. Interchan, which utilized a direct-to-consumer business model, leveraged a massive database, the key to hundreds of millions of users. Shapira says he sought to spread Interchan's products to the database, but couldn't do so. He saw the need for ROI advertisers to help transform too much splintered data into returns.

The result: MassiveImpact, with Interchan now seeming like the beta version of his new enterprise, Shapira says. He seeded the company himself, but outside investment has arrived with growth. Backers include Singtel's Innov8 fund, Gemini and SoftBank's Bodhi fund.

MassiveImpact, already a global player hitting 190 countries, does face certain challenges in the mobile advertising industry. The first and biggest, Shapira says, is noise, as the company is still small. While competitors like Millennial Media call themselves performance ad networks, they are not, according to Shapira. But as an overwhelming number of companies claim to use performance-based business models, it can be hard to stand out.

And MassiveImpact also has trouble selling the unsellable "We're not magicians," says Shapira. "If your product is bad, nobody's going to buy it, all the algorithms in the world are not going to help. The performance model, it fits to a very specific type of advertiser."

The company, which crossed into profitability last year, has hit a run rate of $20 million, and in the next year will come to a crossroads when this figure grows by about $10-$20 million, Shapira predicts. Either it will seek a potential buyer and pursue negotiations with interested acquirers – of which there have been many – or the company will raise a major funding round for north of $50 million.

Though he's not sure what road MassiveImpact will pursue out of those two (or maybe even a different one altogether), Shapira is confident in the innovative nature of his company's offering. "We take massive amounts of consumer data that's useless now – nobody uses it because it's meaningless, [it] can't be correlated to sales," he says. "And we turn it into something of value." RH

MessageBird

www.messagebird.com

Robert Vis

Telecommunications

Netherlands

N/A

» It sometimes feels that there are infinite ways to communicate, but texting is still the preferred choice for millions of people around the world.

According to the International Association for the Wireless Communications Industry, 2.19 trillion text messages were sent in 2012. And while most would associate texting with mobile units, companies like MessageBird unite people around the globe through voice and SMS messages directed from the web or email.

Based in Amsterdam, Dutch-company MessageBird is headed up by Robert Vis and was born out of Mobile Tulip, a messaging company that targets bigger companies. "Mobile Tulip works as a hub for larger clients, for our application we only accept clients who send at least 100,000 messages a month," says the company's website. Meanwhile, Vis' original venture counts enterprises such as Sybase, Oracle and KPN as clients.

Mobile Tulip provides MessageBird, which targets companies dispatching between 1 and 1 million messages monthly, via a software as a service offering. The company covers both voice and SMS communications for its audience. On the voice side, Message Bird delivers text-to-speech technology meant to reach users across mobile and landlines. For users sending SMS, MessageBird provides functionalities that scale and change with their goals. All messaging activity moves from clients to consumers by way of MessageBird's gateway. That portal is linked with international mobile network operators and is capable of hitting dedicated speeds peaking at 1,500 SMS messages per second, says the company.

With enabling messaging its primary mission, MessageBird ensures companies can keep their lines open and contact customers en masse for a variety of purposes. Its two-way SMS functionality allows for clients to supply end users with a free, shared number that both parties can use to interact. "Dedicated or shared mobile (virtual) phone numbers (also called long codes) are a great way to have a two-way conversation with your user," says the company's website. "Talk to your users by sending out an SMS with your own mobile phone number and have your users reply to your application, email or phone." The company's tech facilitates bulk messaging and has the ability to hit 1 million users inside of 15 minutes. The magnitude of MessageBird's potential audience means the company is of special use to clients engaging in mobile marketing. "Ninetynine percent of people open an SMS message," the company says on its website.

MessageBird also makes sure not to confine its customers to one mode of messaging. Sending an email to the gateway, the company says, will transform that message into SMS' dispatched to users' phones.

Vis' venture serves upwards of 10,000 companies. Among those that utilize its solutions are big-name clients such as Domino's Pizza, Heineken, The Next Web, SAP and AMBER Alert Europe. "MessageBird offers us an easy and effective way to inform 2,500+ conference attendees and instantly get their attention," Juan Buis of The Next Web Partnerships said on MessageBird's website. Another company's testimonial illustrates MessageBird's effectiveness in emergency situations: "With MessageBird we reach 800,000 Dutch citizens with 900 SMS messages per second within 15 minutes," according to Frank Hoen, the founder of AMBER Alert Europe. His enterprise, which leverages 2.5 million registered members in the European Union, aims to rescue children that have disappeared in Europe.

Last year, Portio Research predicted that SMS would drive $15.3 million per hour for global mobile network operators. Meanwhile, the worldwide spend on mobile advertising is estimated to hit $18 billion this year and $41.9 billion by 2017, according to Gartner. While different methods of communication may crop up in the future, as long as users reliably open texts, companies can use them to market their products. In this case, and in many others, MessageBird can utilize its technology centered on SMS to help people get the word out –– written, spoken or emailed.

mobiLead

- www.mobilead.fr
- Laurent Tonnelier
- Cloud Computing
- France
- No

» Companies able to connect offline products to an online world stand poised to take advantage of an enormous opportunity. A more connected world will also involve the use of QR codes, tags that can be scanned and deliver information to end users. It will also likely leverage the use of Near Field Communication (NFC), which enables devices to talk to each other by way of radio technology. Juniper Research put the worldwide NFC market swelling to $110 billion by 2017.

At its core, mobiLead helps customers find out more about products. CEO Laurent Tonnelier notes a worldwide push for brands to provide information via increasingly small spaces on packaging. One solution Is QR codes from mobiLead.

The Parisian-based company makes software that helps businesses with QR code production and management. The company specializes in making QR codes that CEO Laurent Tonnelier calls "lovely", or with a grin on his face, "less ugly". Making its codes more attractive has garnered the company attention and last year, a Forrester analyst wrote about the company. "Bar codes do not have to be just cold, emotionless, black-and-white squares," asserted Thomas Husson. "Solutions now exist to personalize QR codes' designs and seamlessly mix them into a logo or band chart – even merging QR codes and NFC tags, as [do] mobiLead solutions."

One of the company's clients agrees spicing up boring QR codes sets mobiLead's technology apart. "First, the design is nice for us, that's really important because we are designing products for original printing. They're more fun," says Gaëtan Courthial of ISRA CARDS. "Secondly is the security and efficiency… every time we try to flash it, that works and quickly."

MobiLead worked with the International Organization for Standardization to ensure its codes were compliant with technical rules and guaranteed to work with any reader. Importantly, the company satisfies requirements from four camps: those that want an image that looks good, those that need it to perform perfectly, those that demand the code be unique and leverage a one-to-one relationship, and those that call for the company to help with code management.

That last aspect supporting mobiLead's offering is its ability to help companies keep track of links after a code goes out – sets it apart from its most major competitor. Austria's TECIT has a widespread reach. But that company solely works in black-and-white QR, he says, and doesn't manage the link. In contrast, mobiLead puts IDs within a URL that can be handled by the brand. It also ensures that IDs stay secure.

The market around mobiLead is massive, as the company sits at the crossroads of three major segments: QR, NFC and the burgeoning opportunity that is the Internet of Things. "The market is each and every consumer packaged good," Tonnelier states.

He began the company after working with Oracle and noticing the need for an easy way to get to content. Two methods proved more convenient for users than typing URLs with long strings of letters and numbers - one by way of scanning a QR code to access content and the other using NFC, which involved programming and coding something to a chipset using radio waves, says Tonnelier. The company, already profitable, has not received venture capital, relying instead on its own revenue to power growth. Now, it will look to raise money.

The main challenge ahead for mobiLead will be fortifying sales on a global scale, which will require investment. "What we want to achieve is mainly an OEM model in which the software runs pretty much everywhere," Tonnelier says. "Imagine that…each HP machine has a software. Our software." The company follows the philosophy 'act local, think global'. It teams with the ISO and W3C (the World Wide Web Consortium) to ensure that its business correlates with its international ambitions. The company also works with enterprises that leverage international reaches, including Xerox, HP and Canon.

As the world becomes increasingly connected, solutions which enable the fast transfer of data wil be greatly utilized. From France, mobiLead helps customers access information, taking QR codes from ugly to lovely in the process. RH

mobilike

www.mobilike.com

Sekip Can Gökalp

Mobile

Turkey

Yes

» The mobile industry only really took off when internet speeds reached the point where it was truly useable – when 3G was introduced. The smarter players in the mobile space were poised to take advantage of the explosive growth that occurred so soon after.

One company that did exactly that in Turkey was mobilike. The company's founders saw the opportunities in mobile advertising that 3G would bring, and positioned themselves to take full advantage. The company began building mobile sites and apps for its network of publishers, at a time when the iPhone was not even officially launched in Turkey.

The company is now the biggest player in the local market, and claims to have a 70% market share. The founders behind mobilike introduced rich media in 2010, video ads in 2011 and real time bidding usage in early 2013 in Turkey. "Mobile advertising is projected to become a $42 billion market globally in 2017. Our target region of Eastern Europe and Middle East will be one of the fastest growing areas for mobile advertising," says Şekip Can Gökalp, board member and co-founder of mobilike.

The company was founded in 2009 and has raised an undisclosed amount of funding from Point Nine Capital, Felicis Ventures and Team Europe. Gokalp says mobilike is not currently looking for investment. The company generated nearly $10 million in revenue in 2013 and is aiming to double that amount this year. In 2012 the company was acquired by madvertise, a European mobile audience targeting platform. Carsten Frien, CEO and co-founder of madvertise, said: "For both parties this is a value creating deal and we are delighted to drive forward the mobile advertising market in Turkey together with mobilike and its founders Şekip Can Gökalp and Volkan Biçer. They have done a fantastic job in developing mobile advertising and positioning Mobilike as the market leader in Turkey."

New players are constantly entering the Turkish mobile advertising market as the country's infrastructure has evolved. However, mobilike has looked to differentiate itself from the competition by keeping a focus on technology and building assets for both ends of the market. "Building apps for publishers to advertise on and at the same time creating mobile assets for brands to advertise for -this was the essence of the business in the early days. Later on, the tech capability evolved into creating a platform business that covers the markets needs end to end," says Gokalp.

The company now plans to move into Eastern Europe and aims to become a market leader in that region within 24 months. Once again, mobilike will look to combine technologic prowess with immaculate timing. RH

Movea

www.movea.com

Sam Guilaumé

Mobile

France

Yes

ACQUIRED

» In the next decade the spread of sensors entering aspects of everyday life will be colossal. Soon, the world will see one trillion sensors ingrained in all kinds of devices and items, even clothing. Meanwhile the amount of smartphones shipped crossed the one billion mark last year, according to IDC research.

Turning data into insights will become crucial for consumers, which is where companies like

Movea step in. It delivers motion processing and data fusion software, firmware and intellectual property, and its technology ushers users into a futuristic, connected world encompassing mobile, wearable devices, consumer electronics and more. The company's success has drawn the attention of potential acquirers, and in June this year sensor solutions company InvenSense bought Movea for $81 million.

Movea emerged out of research lab CEA to drive returns from the intellectual property the institute produced. The company has more than 500 patents that deal with motion processing.

Co-founder and CEO Sam Guilaumé says in those early days, he and his team built a technology company that concentrated on motion sensing for human applications such as physical rehabilitation and entertainment – the Wii had been a new development on the market. Anticipating an era where sensors would be rampant in smartphones, Movea prepared to take on burgeoning markets with its technology.

Early in the company's life cycle, it jumped at the chance to acquire Gyration, a venture that together with Nintendo worked on and produced the Wii system. As Gyration leveraged its own product line, revenue at Movea came in between $10 million and $12 million in its first commercial year – hardly common for a startup. However, the company decided to switch up its strategy in 2011. It sold the Gyration element of its business and switched its focus to mobile and consumer electronics, where it rests today. The Grenoble-based French company, at the time of the acquisition, was backed to the tune of €17 million ($23 million), with investors Source, GIMV and Intel Capital providing funding.

Movea's SmartMotion offering transforms sensor data into insightful information by way of its fusion engine. That engine can operate on any OS, and takes all kinds of sensor data into account, crunching it down into the intelligence a user needs, the company explains on its website. Movea provides an example whereby SmartMotion can tell when you're hurrying to a train, and by synthesizing data sources, can report back to the user that like them, the train is behind schedule. Though it's always on, its low power makes sure not to drain individuals' batteries.

Movea's technology can be used for services such as activity monitoring and localization, Guilaumé says. More specifically, SmartMotion can be integrated into smartphones and tablets for indoor navigation; can be utilized in interactive TVs, remote controls, and for gaming; and can help users track motion while running, swimming, or playing golf or tennis.

The company's main customers are semiconductor makers, OEMs and Original Design Manufacturers and System Integrators. Its embedded software ends up serving smartphones and wearable devices. With a blossoming market ahead, Guilaumé foresees revenues scaling to hundreds of millions of dollars for the company.

Movea goes up against two types of challengers, according to the CEO. The first category is software startups similar to Movea. The company differs from the other two or three major players in this space by way of offering and focus. One of its competitors concentrates mostly on entertainment – TVs, mobile and gaming consoles – and the other leverages less intellectual property than Movea. Its sizable patent portfolio provides a thick buffer between it and other enterprises. Meanwhile, the second category of competitors consists of "very big entities, who see the potential of the software on top of sensors," says Guilaumé. Industry titans such as Qualcomm, Apple and Intel have begun to enter Movea's space in their attempts to snap up market share.

The fact that the demand for items like wearables and more hasn't quite reached critical mass presents a challenge for the company – though the brand recognition it is building has helped. On the other hand, the issue of resources can be a difficult one. Many startups in Europe face similar hurdles; and venture backing (if it comes) isn't a cureall as some VCs occupy themselves with matter close to home.

Guilaumé says breakeven point for the company, which will come when revenues reach $12 million to $15 million, was "within reach" before the deal to seel the company was announced.

Sensors, smartphones, wearables and more are swelling segments as consumers want to know more about themselves and all the activities they engage in, from sports to sleep. "We are all pretty data hungry when it comes to our body...our digital life," says Guilaumé. "The pieces of the puzzles are getting there, and so now it's a matter of putting the pieces together." RH

Musement

www.musement.com

Alessandro Petazzi

Internet/Online

Italy

Yes

» Standing in line is always frustrating. But queuing when you're on your vacation or attempting to make the most of your free time is even worse. Alessandro Petazzi was waiting to get into an art exhibition in Florence, Italy when he and a friend realized that there was no solution to book ahead at many attractions on the Internet. The two would go on to found Musement, which helps people to plan activities well in advance, and avoid the long lines.

Musement aggregates a huge number of galleries, museum, tours and other attractions all over the world and allows users to book them. The company includes the attractions with which it has commercial partnerships with, like most other booking companies do, but crucially also scrapes data from non-partners in order to offer consumers a wider choice.

"We are a marketplace for travel activities, you go to our website or app or you come through our third party partners, and you buy tours and tickets for events all around the world," explains Petazzi. The company's method of aggregating offerings means it caters not just for the high end of the market, like most of its competitors, but it also boasts prices more suitable for a traveler on a budget or a local person seeking a bargain.

Petazzi says that there are only four or five competitors in this space globally, and the market could be worth up to €100 billion globally and €37 billion in Europe. Getting ahead in this space is sure to return a healthy profit.

Last year the company raised $950,000 in Seed funding from 360 Capital Partners, IAG and angel investors. "360 Capital Partners has a tradition of investing in the luxury/fashion, food and travel industries, sectors in which Italian companies excel and which can possibly pave the way to the economic recovery we all long for," said Cesare Maifredi, General Partner at 360 Capital Partners when the funding was announced. "Musement has the chance to become a key hub for arts and culture, providing both travelers and industry partners with a breadth and depth of services which currently has no par online."

Musement is now looking for more funding. "Our current investors are already committed to help us with some more money, but before the end of the year we will do a larger round. Not because our current investors can't maintain us but because ideally we'd like to bring someone onboard with experience in the travel sector," says Petazzi.

The company has strong plans for future expansion. Petazzi says Musement will expand its offers internationally, by having more attractions in Latin America, the U.S. and Southeast Asia. The company will also target Latin America and Asia for new customers. Within the next 18 months Petazzi is aiming to have destinations on every continent and customers from all over the globe as well.

Many may be tempted to move from the travel activity space to cover the flight and hotel markets, but Petazzi is adamant that the company will stick with its core offering. But that is not to say Musement cannot partner with players in that space. "Via our API we are happy to provide them the possibility to sell our stuff to their customers. We have already signed a deal in this respect with a train company and we are working on a number of deals like this," says Petazzi.

With a fast-growing customer base, keen investors and ambitious plans for the future, it seems the company that was conceived in a queue outside an art exhibition in Florence, is destined to reach tourist attractions all over the world in a very short time. RH

Nanoplas

www.nanoplas.eu

Gilles Baujon

Hardware

France

Yes

» In the semiconductor industry, less is more. And chipmakers are constantly on the lookout for companies who can be more exact with their tech.

Nanoplas delivers plasma-processing technology for manufacturing integrated circuits more masterfully, allowing for precise production where a few atoms of space can make all the difference.

Though Nanoplas is headquartered in Paris, France, the company's roots are in Silicon Valley. There, Gilles Baujon and Georges Gorin, an American technologist in the semiconductor space, decided to build their own company. Applied Materials had picked up Baujon's previous venture and Gorin was in possession of interesting intellectual property. That technology hopped across the Atlantic with Baujon and Nanoplas was established in 2008.

Baujon says the new company targeted MEMS (microelectromechanical systems) - normally incorporated into gyroscopes, accelerometers and for use in cell phones and other devices - and fresh kinds of semiconductors, which brought the company to smaller, more specialized markets.

Massive enterprises such as LAM Research and Applied Materials had no interest in entering these industry openings, providing Nanoplas an excellent opportunity. “Our vision was to demonstrate our technology on very specific chips and demonstrate our ability to design, manufacture, sell and get repeat orders from big companies for these type of chips,” says Baujon.

That mission took the company from 2006 (before its official founding) to 2012, at which point there was a shakeup.

Having worked on and validated the upsides to their technology – connected to its ability to etch extremely precisely without damaging tiny devices – with large enterprises such as TSMC and General Electric, Nanoplas commenced new product development and swapped out its business model, says Baujon.

Rather than selling straight to chipmakers, the company shifted to an OEM setup, he continues. This means original equipment manufacturers would incorporate Nanoplas’ technology into what they made.

With this shift, Nanoplas has entered the standard semiconductor space, whose goal it is to make microprocessors and memory. The company now is positioned to serve companies such as Intel, TSMC, Samsung, GlobalFoundries, Toshiba, STMicroelectronics and Micron for their next generation chips, according to Baujon.

This change of focus bumped Nanoplas’ addressable segment up from $100 million globally to around $1 billion. The company leverages gross margins of more than 50%. OEMs, Baujon says, operate in an even larger space at $4 billion to $5 billion. In this massive market, chipmakers solely make purchases from OEMs; which means selling to the OEMs becomes crucial.

Nanoplas’s business gets a boost from the nature of the semiconductor industry, which is constantly seeking ways to innovate and produce smaller and smaller chips to fit on a standard wafer.

The practice is so pervasive that it has its own rule called Moore’s Law, named after Gordon Moore, the cofounder of Intel. Its states “the number of transistors incorporated into a chip will approximately double every 24 months,” according to Intel. Baujon states 24 months has since shortened to 18.

In this timeframe, costs will be cut in half and functionality of integrated circuits will double, he adds. Companies working in accordance with this principle need all the help they can get minimizing their technology.

“We can etch the little transistors with much better accuracy and control. We can remove some films at the atomic level and not touch the other materials that are exposed on the silicon wafer, which is totally impossible with the existing technologies,” Baujon asserts.

“This is a disruptive etching technology that we make possible for chipmakers to continue to grow their capability with smaller and smaller geometries.”

On this mission, the company goes up against enterprises such as Applied Materials, LAM Research and Tokyo Electron.

Nanoplas’ Asian OEM comes to the company now in search of an alternative etching method. According to Baujon, the enterprise foresees a time ahead when its conventional etching strategies (which utilize chemicals) will no longer be in service.

The Asian business also wants to employ a means different from the standard ones purported by the big three players mentioned before. That’s where Nanoplas makes its mark with innovative etching techniques, says Baujon.

“Our proposal, our technology is to replace wet [processes] and also, in terms of plasma, a completely new approach to ensure the chipmakers will know how to etch those little transistors without damaging others,” he continues.

“This is what we call atomic layer control.”

“Their etching technology is one of its kind,” says Aurélie Stassinet, investment director at Fonds Lorrain des Matériaux, which has completed due diligence with Nanoplas.

“Wafer fabs will have a lower cost of ownership of Nanoplas machines compared to the existing technology because they will use no chemicals, they will use less energy and they will be more precise.”

The company’s biggest challenge has been and continues to be securing capital. In the past, through the contributions of business angels as well as grants, Nanoplas received approximately $10 million in funding.

Baujon says that depending on market adoption, Nanoplas could become a company with binary revenues, with $100 million on the high end.

As for the future, Baujon’s venture could go public, get acquired, or stay independent –– much depends on sales and whether capital comes or not as Nanoplas forges ahead in a fresh market.

Nexstim

www.nexstim.com

Janne Huhtala

Medical Devices

Finland

Yes

» Any technology that helps improve the health or rehabilitation of a person is a wonderful thing. Nexstim is doing just that, as it develops and markets navigated brain stimulation (NBS) devices for use in diagnostics (neurosurgery) and therapy.

The Finnish company commercialized in 2000, combining stereotactic TMS and high-resolution EEG monitoring, finding success with its mixture of expert engineers, scientists and clinicians. But the goal has always been simple; to become a major supplier of non-invasive CNS devices for diagnostics and therapy, according to CEO Janne Huhtala.

But what does this mean to the layperson? Taking strokes as an example, it is the third leading cause of death in the U.S., from which more than 140,000 people die each year, and it is the leading cause of serious, long-term disability.Each year, approximately 795,000 people suffer a stroke in the U.S. alone. Any company that can help aid the rehabilitation of these victims certainly has a product.

"If you consider stroke data in the U.S., it's one of the biggest costs or burden in society," says Huhtala. "And if you consider on average 40% (of victims) actually have some kind of motor deficit in the upper extremities after the acute phase, that is the target we are looking at and it's a huge market every year. [People] pay huge amounts for rehab, which is currently not giving so much benefit for these patients, so I believe that's the big opportunity for us."

The technology risk is low as it has been approved and the platform is in place, functioning in the diagnostic field. Nexstim is now looking to take its product into the therapy realm, specifically looking at strokes. But the need for acceptance in therapy is fundamental to any potential success for the company in this field.

"We are doing something new, which is non-invasive, very targeted, and people don't know about this as there have been a lot of different technologies for rehab therapies and none of them really worked," asserts Huhtala. "So of course people are looking for clinical data and support for us, and that's one reason we are so proud that we are working with The Rehabilitation Institute of Chicago with Dr. Harley."

"We are really pushing clinical acceptance for this, because I believe this is the biggest hurdle in our path, not the technology risk but the acceptance."

The Rehabilitation Institute of Chicago is the largest rehabilitation research center in the world and using Nexstim technology has delivered some interesting discoveries. Director of the neuralplasticity laboratory, RIC, Lynn Rogers says they found that "there are areas of the brain, usually where the lesion is, that are less active than they used to be, and there are actually areas on the brain on the opposite hemisphere, so the healthy area of the brain is more active than it used to be."

Dr. Richard Harvey, medical director of the center for stroke rehabilitation, RIC says "we are actually able to modulate healing, and I think this is the wave of the future. We designed a study where we use a low frequency of navigated brain stimulation, which if you apply it to the non-injured hemisphere of patients with stroke, it will actually down regulate the excitability of the brain. In doing so, that actually has this interesting effect of up-regulating the excitability of the injured side of the brain."

Nexstim announced in spring that it is running trials at 12 sites in the U.S., and there is little doubt that the data that should be ready in the next few years will be pivotal. The company is relatively small with 35 employees, but Nexstim often subcontracts when additional expertise is needed.

Two hundred people were trained specifically for the trial, but as Huhtala explains, the company is still relatively young. "Right now we have over 120 installations around the world and basically started with the research and now are moving to the clinical world with diagnostic and then therapy," he says.

"Basically we are doing clinical trial in the U.S. and those sites are the starting point for our commercialization story."

The next step will be Europe and then "see what happens" in Asia. "We are looking at where the society and healthcare system can adopt these new technologies relatively easy and that will be the driver of other countries and where to go first, but obviously the US will be the target market," Huhtala asserts.

He adds that the company's accuracy and navigation cannot be competed with – the future may bring a look into further innovation and new market sectors, but for now it's very much about stroke. "Stroke is the key area for us, because we can show the benefits there and hopefully the same with the clinical trials," the CEO affirms.

"There is a huge unmet need and we are pushing to get it out there so we can help these patients." RH

Nexthink

www.nexthink.com

Pedro Bados

Software

Switzerland

Yes

» Information is illuminating, particularly within the IT sector. So when enterprises need assistance with security, transformation and IT services management, they look to solutions that deliver data.

With Nexthink, enterprises are able to get IT departments the information they need about their targets: end users.

"Before having Nexthink, it was like being in a dark room," company CEO Pedro Bados says customers have told him.

The company is based in Lausanne, Switzerland and has raised $18.6 million in total funding. Its latest round in 2012, a Series C led by Venture Incubator and Auriga Partners, came to $5.5 million. Mannai Corporation has also backed the company. Now, Nexthink is out to secure $20 million in additional capital over the next two years.

Nexthink sprouted from an artificial intelligence laboratory in Switzerland and was established in 2005. Bados and others had been attempting to track end-user behavior. With the information they gathered, they could pick up on patterns that helped single out abnormalities in activity.

Bados notes its primary use was for identity theft, but working in this area exposed what he calls a contradiction in information technology. Though IT exists to assist end users, those behind the tech didn't have data on those they were serving. It was as if, Bados continues, you asked a CFO how much money was in the bank and he couldn't give an answer, down to a lack of details.

Out of that contradiction Nexthink was born. "So we said, 'Okay, let's try to build from scratch a new technology, which is able to provide all the analytics and all the information around the end user in a company, for the IT departments," says Bados.

"How are end users are consuming the IT, what is the quality of service, what are the problems, what are the security threats, how we can form the IT infrastructure so they are better for the end users? All these types of questions, they needed much more clear data."

Nexthink operates in a market packed with 500 million to 600 million corporate end users. The audience it pinpoints: companies with upwards of 1,000 employees. In terms of market potential, Bados asserts the space could escalate to $4 billion in size. Taking a small slice of this segment would be enough to build a company with hundreds of millions of dollars in revenue. It's little wonder Bados says the market holds so much promise as past a certain level, all enterprises need to comprehend end-user activity.

Currently, its base exceeds 450 customers. Nexthink counts enterprises such as Capgemini, Céline, Swisscom, Telefonica and Toyota as clients. Growth is expected to bring between 100 and 150 new customers annually, with 2014 capping with 600 clients.

Speed and sophistication set Nexthink's technology, Nexthink V5, apart asserts Bados. The company is able to deliver analytics in real time, whereas competitors operate on a delay of one or two days. Plus, the company's offering leverages artificial intelligence that engages in self learning.

"We work a little bit like Google. We store all the information [that] is around the end user and then we provide an interface to say look, ask any question," Bados says. "This is a magic change." With other providers, users have to use premeditation - they need to know what they want before they go looking for it, rather than drawing insights from data that is immediately available.

The obstacles facing the company are typical to those of an enterprise software company scaling up, says Bados. They belong in two categories: customer service and success initiatives, and innovation. An old idiom recommends remembering old friends even while making new ones; similarly, Bados says one challenge ahead for Nexthink will be scooping up new customers even as it maintains its old clients. Additionally, the world around IT is changing quickly, and keeping up with the dynamic shifts won't be a small feat.

Nexthink is currently looking for fresh venture capital as backing will support the company's move towards the public market three or four years down the line.

Meanwhile, with regards to its international footprint, the company has debuted in tier one markets such as Europe, the Middle East, India and the United States, and now seeks to infiltrate these spaces further rather than expand into new geographies.

Lately, the company has moved into the United States. In a short time, Nexthink could do half its business there, and make an American public offering to match. RH

Nexway

www.nexway.com

Gilles Ridel

Cloud Computing

France

Yes

» For a company that makes digital products like games, apps or software, it can be difficult to find the best way to sell its offerings. Meanwhile, digital merchants also seek out products for reselling.

But what helps brings these parties together, as well as the goods to market and onto to end users? Digital commerce companies can help, especially ones like Nexway that are eager to embrace the challenge presented by a rapidly evolving marketplace.

Companies need assistance finding their footing and selling their wares on unstable ground; which is where Nanterre-based, French company Nexway is looking to capitalise.

"The globalization of digital goods markets, the advent of mobile and cross-device consumption of digital, the emergence of app stores, and the shift to subscription and freemium monetization models create challenges and opportunities for publishers and their online merchants," says the company on its website.

Through five offerings – Nexway's Publisher Webstore, InApp Store, Publisher Distribution, Merchant Webstore and Appstore – the digital commerce-as-a-service provider enables its clients to face a host of trends shaking up the industry and to monetize their products.

The company's target customers include apps, software and games publishers as well as their online merchants: retailers, e-tailers, ISPs, telcos and OEMs, says Nexway general manager Gilles Fabre.

Its mission is to help customers sell their digital goods online, across channels and devices. The commerce enabler serves more than 800 companies, such as Amazon, Adobe, Yahoo! Japan, Orange, Carrefour, Electronic Arts and AVAST Software. Though Fabre can't put a finger on the exact size of the market, he says it has certainly reached $1 billion in magnitude.

Nexway's different solutions can aid the aforementioned apps, software and games publishers with offering engines like web stores and app stores. The company's Publisher Distribution connects

publishers with 200 digital merchants – sites that people frequent because of their credibility such as Amazon.

It also offers web store and app store creation options to customers on the online-merchant side. Its catalog features publishers' wares and aggregates more than 15,000 games, Android apps and software, which merchants can then leverage for indirect selling, according to the company.

Nexway's products prioritize a cross device approach. In this market, Fabre says it's possible to find some players that can provide app stores and web stores. But, he continues, what makes Nexway special is its ability to deliver a crossdevice ecommerce solution, which is managed by the same back office while presenting consumers with a seamless experience – an element to the company's offerings he calls unique.

Another point of differentiation comes from its model-agnostic approach. From its founding, Nexway has facilitated sales for clients that leverage both direct and indirect business models, helping sales along through brands with loyal customer bases like Steam.

The company, established in 2002, sprouted when CEO and founder Gilles Ridel predicted the game and software industries would transition from offline to a pure digital business, Fabre says.

Software boxes would fade from shelves, he forecasted – which they did. Major player Adobe stopped selling boxes, swapping them for a SaaS model instead. Nexway raised €14 million ($19 million) in 2010 and is backed by five French venture capital firms. It broke even last year, though growth is what Nexway concentrates on rather than profitability.

The road to expansion, however, won't be entirely smooth as the industry presents potholes. "Our main challenge right now is to both serve our client on the challenge of moving their products from a 'buy and download' business model to a subscription business model, SaaS business model, etc. while doing also this adaption to a cross device world," Fabre says.

However, in that obstacle lies an opportunity – one Nexway is cognizant of. Fabre predicts sales could more than double between now and 2016, up to $300 million. Scale will come from doing more business in markets abroad; it will also stem from "the development of Android and this cross device adaptation and mutation of our business," Fabre asserts.

Nexway already leverages a widespread, global presence. Fully 80% of revenue comes from outside the company's home market, France. Offices have popped up in locations around the world, including Luxembourg, Germany, Italy, Poland, Morocco, Spain, Brazil, the U.S. and Japan.

The future will bring increased penetration of America (where 20% of business is already conducted) and Brazil.

"As VCs we want our businesses to meaningful; meaningful is not just being a local actor, but a

global actor," says Nicolas Rose, partner at XAnge Private Equity, which has backed Nexway. "We now have business flowing in from Europe, from the U.S., Japan,

Brazil, Germany… that is also a reason why the company [still has] a lot of steam ahead."

With the explosion of mobile devices comes the need to reach the users behind them on a global scale. While Fabre says PC is not dead, the industry is moving to emphasize cross device engagement – a development that will play to Nexway's strengths, as the company caters to consumers on computers and beyond. RH

NGDATA

www.ngdata.com

Luc Burgelman

Big Data/Storage

Belgium

Yes

» In 2012, Luc Burgelman and Frank Hamerlinck were working at Belgian business intelligence firm Porthus when they had an idea. Porthus, which would later be acquired by Descartes Systems Group, was already handling large volumes of cloud-based data. Burgelman and Hamerlinck, together with Steven Noels, saw a chance to create a new solution that could handle much larger volumes. The three took on Jurgen Ingels, a financial services expert, and founded NGDATA out of the city of Ghent. The four set about work developing a solution that could analyze and structure that big data in a far more efficient way. Eventually, they created Lily.

Lily is a data management platform, which combines planet-sized data storage, indexing, and search with real-time usage tracking, audience analytics and content recommendations. It builds upon Hadoop, HBase, and SOLR to create an open source solution bringing big data storage to enterprise. Big data, says Burgelman, is still in its adoption phase. "A lot of enterprise-sized companies are still just making their first steps into the big data realm," he says. "We're at the point where most people recognize the importance of big data and how it can improve customer experiences and optimize the expansion of their product portfolio, but most companies don't yet have the tools to analyze, manage, and act upon this information."

"'Big Data' originally emerged as a term to describe datasets whose size is beyond the ability of traditional databases to capture, store, manage, and analyze," reports RnR Market Research. "However, the scope of the term has significantly expanded over the years. Big Data not only refers to the data itself, but also a set of technologies that capture, store, manage and analyze large and variable collections of data to solve complex problems."

But with a market WhaTech caps at around $30 billion this year and predicts will grow at a CAGR of 17% for the next four leading to 2020, NGDATA were unlikely to struggle for investment. The company secured a $3.3 million funding round last September led by Leuven, Belgium-based Capricorn Venture Partners. It brought the total cash raised by the firm to $5.8 million, after a $2.5 million round in October 2012. The September 2013 round brought the company three members to its board: Oak Hill Capital Partners' William J Pade; Michael Patsalos-Fox, former senior partner at McKinsey and Company; and Capricorn's own Katrin Geyskens. The move also prompted the arrival of a new, three-member advisory panel that bolstered the wealth of knowledge in NGDATA's ranks.

"NGDATA said it will use the new funding for continued product development on Lily, and also to bolster the business momentum it's achieved over the past 12 months," reported TechCrunch. "The startup has expanded its global footprint over the past year, opening multiple offices in the U.S., and entering into a series of strategic partnerships with companies including Clear2Pay and Cloudera. In the latter instance, NGDATA said it has developed "sophisticated indexing capabilities" for Cloudera Search, aka "full-text, interactive search and scalable indexing to Apache Hadoop."

A good 2013 has already translated to success this term. With a Red Herring Top 100 Europe award under its belt, NGDATA plans to increase its customer base in its key verticals - financial services, telecommunications, and media and publishing - and, says Burgelman, the company will expand its ecosystem "selecting strategic partners and alliances with technology companies and with system integrators. Internally, a primary focus for 2014 is to expand our New York office, particularly as we prepare to raise another round of venture funding in the near future."

But, Burgelman is already looking beyond the Big Apple. And with the visibility NGDATA has already earned in its first two years, he hopes he can continue to expand the company indefinitely. "I'm sure NGDATA's relationship with the Red Herring Top 100 Europe event will not end with 2014 – this is truly the type of relationship and business network that keeps giving and lasts a lifetime." RH

Omada

www.omada.net

Morten Boel Sigurdsson

Security

Denmark

No

» Identity management, says Omada CEO and co-founder Morten Boel Sigurdsson, is all too often an area of business that is stripped to its bare minimum. As such, they face risks should an auditor want to drill down into the company's governance processes. The reason is quite simple: that company systems are by their nature complex and difficult things to know. The explanation of each system - "let's say active directory groups - are not shown in normal descriptions the business users can understand, but more often in the IT codes that exist in the source system," says Sigurdsson.

To overcome this, Omada is able to "onboard" the applications that are critical and describe user access levels in business terms the manager can understand. "So when you do an audit and ask the manager to validate staffs rights, then he or she receives this in terms they understand," adds Sigurdsson. "That brings true value to the audit. However, you can benefit even more from this, as you now also can use this valuable effort to automate a self-service access request by users very much similar to the popular app stores."

Omada has been a leading name in identity and access management (IAM) since 2000, when it was founded in Copenhagen, Denmark, with investment by industrial funders. It also provides solutions in risk management, compliance, role-based access management, and process governance. Omada has a long history of work alongside Microsoft and SAP, and has won many awards and recognition from both companies. Omada is the winner of the 2008, 2009, and 2011 Microsoft Identity and Security Partner of the Year Award.

Omada, which means 'team' in Greek, has operations across North America and Europe, and is looking to expand its personnel base in Germany, Denmark, and the United States. By 2004, the company says, the company was experiencing growth, which it pegs at 60% annually since. Sigurdsson will not disclose financial information, but confirms that the company has "been profitable for the past 12 years."

"IT networks face increasing threats from inside and outside an organization," says security expert at Ernst and Young, Francis Kaitano. "Conventional perimeter defenses, for instance, can miss insider threats, such as password disclosures and fraud due to staff collusion as well as external online threats including 'zero-day attacks' (i.e. attacks that take advantage of computer security holes for which no solution is currently available)."

Identity management is in essence a process to manage the entire life cycle of digital identities and the safe utilization of company resources with new technology. This may include access management, which is at its core the process of allowing or denying entry to points on a company's digital framework.

Omada's business rests on its Identity Suite, which is built on Microsoft technology and, according to the company, delivers a "dynamic and adaptable yet fully integrated enterprise platform for both identity management and identity governance." The suite employs loop auditing processes and advanced reporting, in order to provide a clear view of all identities in an organization for compliance purposes.

In September 2012, Deloitte chose Omada Identity Suite for its internal identity management system. Other companies that have employed Omada include Danish IT group KMD, compatriot financial firm Sydbank, German brokerage .comdirect, BMW, and ECCO Shoes. It has also won numerous Microsoft partnership awards. "We have many of the largest companies in the world," says Sigurdsson. "Often, certain verticals like financial or pharmaceuticals are under significant regulatory compliance requirements, and they often use our solution to collect, validate, and report on access. The goal is to ensure that no intellectual property or vital proprietary information can be accessed by other staff than those who should."

Omada is, Sigurdsson claims, at something of a crossroads. And the following twelve months will prove vital, if it is to continue its rapid development. Recently the firm moved its platform towards a more packaged, more adaptable solution that can provide quicker time to value. "Going forward, we are working on new releases with some very exciting capabilities within the areas of compliance governance as well as improving IT management and self-service that will accelerate deployment by making it much easier." RH

Parantez

www.parantez.com

Altug Beser

Banking/M&A

Turkey

No

» Attracting customers is a tough enough task in today's globalized, online environment, but keeping hold of them can be even more of a challenge. That is why loyalty engagement providers such as Turkey-based Parantez are making a big impact on European markets.

Parantez was founded by serial entrepreneur Altug Beser, who had previously started the group buying web platform Firrla, which set out to create loyalty in a vertical niche for college students. From there, Beser came up with the idea of a campaign platform design and loyalty-generating algorithms that could create value to all sides of transactions – the user, the business and the pre-paid card provider. The company offers a loyalty service to restaurants to attract customers and a rewards system to consumers.

Competition in this market in Turkey is increasing, as companies are more willing to provide discounts and offers to their customers in order to persuade them to return. But the Parantez has a philosophy to deal with that competition.

"We are orbiting around the idea of creating win-win situations to every side of the equation as a loyalty providing platform," says Beser. "Parantez is not interconnected to any other company as a software. Being the customizable platform that can be integrated to different methods of transactions, Parantez is ready to provide benefit and be utilized by any card providing companies."

Parantez is partnered with Groupe Cheque Dejeuner, which has businesses in 14 countries. The company has raised $750,000 to date in funding and its business partners provide the company with the necessary environment to develop the loyalty tool and implement it into the prepaid smart card industry. The company considers itself flexible enough to enter new industries, and would consider further partnerships and investments.

Parantez does not currently hold any patents, but doesn't feel that is important to its goals. "No, we don't have any actions for patent acquision so far. What we have invented is less significant than how we used known methods to create a simple, customizable and profitable tool that adds value to all parts of the equation. We've developed our own system and plan to take the development further and then embark on applying for patents for what we have added to the business," says Beser.

The company has made good progress in Turkey and boasts impressive figures. Parantez has over 1,200 contracted restaurants and over 22,000 users, which gives it one of the biggest restaurant databases in the Turkish market – a clear advantage over the competition.

The main challenge of the company now is to scale the business. This will be done by finding new partnerships. "Our goal is to be able to work with multiple companies that are in the prepaid cards, credit cards and different technologies," says Beser.

Parantez has a firm footing in the restaurant business and is keen to expand out into other industries. If it keeps its focus on the key factors that have brought it success so far, there are few things that can stop it.

PayTop

www.paytop.com

David Boucher

Internet/Online

France

Yes

» The global payments market has quickly become a gargantuan opportunity. With both mobile and online payments options for consumers, cash is no longer the undisputed king of transactions.

Over the past quarter of a century, ¬¬¬the remittances market has scaled to incredible heights. Last year, World Bank forecasted the 2013 international remittance industry at $550 billion. It also predicted that segment would swell to hit $707 billion by 2016. The power behind these payments is formidable; Kaushik Basu, World Bank SVP and chief economist, stated that remittances make up 50% of the GDP for countries such as Tajikistan.

Billion-dollar markets in the financial services space are still growing as technology creates a more seamless process for consumers and in doing so, encourages segments to expand. Paris-based mobile and Internet payment company PayTop, having anticipated a massive opening in the remittance and banking sector, has pounced on the chance to help consumers obtain money when they need it and get currency where it needs to go.

The company, established in 2012, leverages a business-to-consumer business model, according to its COO Philippe Coup-Jambet. It offers a range of products previously handled by financial institutions settled firmly in the offline world – mobile and Internet-based remittance, currency exchange and the buying of global phone credits.

PayTop charges users based on monetary sums the platform transacts for users. "Our rates are clear and unique based on the amount you chose to send, exchange or buy," says Coup-Jambet.

"Remittance, for instance: we'd charge you €4 ($5.4) if you send less than €150 ($203) and €8 ($11) above that amount. All our products are thought this way: a unique price depending on threshold amounts or specific services."

Since its inception, the company has accrued 40,000 customers. According to Coup-Jambet, PayTop is looking to multiply its customer base by a factor of 10 up to 400,000 clients over the next three years. So far, the company has extended its international footprint to 21 countries. Coup-Jambet believes PayTop will "open new corridors" in upwards of 50 countries by 2014's close.

The company was founded out of a realization that digital disruption hadn't yet transformed banking. While Coup-Jambet asserts that while the way people shop, consume news and enjoy music has evolved over the years, the way they pay – as well as handle their finances in general – has remained relatively unaffected. And it is due for a shakeup. On its journey, PayTop has secured €2.8 million ($3.9 million) in funding from Truffle Capital. Now, the company positions itself for a public offering in the next few years.

According to the COO, PayTop wants the top spot with regards to competitors in the French market for remittance pure players. In its quest, it goes up against challenges from three separate crowds: legacy players such as Western Union and MoneyGram; more modern enterprises including Xoom and TransferWise; and banks.

"We can say we are unique in the French market: PayTop is the first company to propose different types of services on the same website," says Coup-Jambet. "Plus, as a pure player, our processing time is immediate. Last but not least, our rates are the lowest of the market, which is definitely not the case of the traditional banks."

Disrupting the banking industry has it challenges, though, as new players must find ways to adapt fresh technology to the institutional infrastructure. PayTop's biggest obstacle is providing people access to innovative payment practices compliant with regulatory strictures. To ensure users go by the book, Coup-Jambet says, PayTop must continue to work on its technology. The company has received the all clear from the ACPR (Autorité de Contrôle Prudential et de Régulation de la Banque de France) and teams with partners such as Oseo, Banque Accord, and the Association Française des Sociétés Financières.

With regards to engagement on PayTop's platform, user activity is on the up. Last year, the company processed €10 million ($13.5), and Coup-Jambet projects that figure will more than double to hit €24 million ($32.4) next year. In 2016 – when PayTop expects to achieve breakeven – the company will stream €45 million ($60.8) and the year of its potential public debut, the company hopes to ramp up to €100 million ($135 million) in transactions.

Before 2017, when PayTop plans to go public, it will debut a multitude of new financial services. Coup-Jambet puts the number at 12 and explains they will include account transfer, cash-to-goods and multicurrency cards. In a space scaling by the billions of dollars every year, the more offerings, the better. RH

Piceasoft

www.piceasoft.com

Jyri Roselius

Software

Finland

No

» It's a problem that most, if not all, mobile consumers have come across at some time or other: how to switch data from an old to a new device. In the past transferring from one system to another has simply been impossible. In the past that meant hours and hours infuriatingly spent moving content from one place to another. Now, there is software that can do the job for you. And, as Finnish firm Piceasoft is showing, it has implications across the consumer to enterprise spectrum.

The pain point Piceasoft is targeting, in a nutshell, is this: 1.8 billion new mobile devices sold annually, with the amount of personal content getting bigger. Consumers do not want to leave personal content behind when they move to a different ecosystem, for example iOS to Android. Existing solutions are, claims Piceasoft, "too clumsy and slow". It has found that consumers will pay $6.50 to $20 for a working content transfer device.

With that information, the company built PiceaSwitch, a software tool that enables the transfer of all personal content between two mobile devices and cloud. The solution also includes support for backup to USB memory stick or cloud. Consumers can drag and drop videos, music, or images directly from the web to a device, while for operators PiceaSwitch can safely switch all contacts from one device to another, incentivizing switches and upgrades.

CTO and co-founder Jyri Roselius claims that no-one is tackling the market like Piceasoft. "Our competitors do not have cross platform software solution, they are selling hardware tools," he says. "We have many competitive edges because of software product. Maintenance and upfront investments are lower with software than when buying a lot of hardware boxes."

"Cellebrite has been the market leader and is in practice the only competitor in many cases," adds Roselius, who has a long history in mobile solutions. "There are many phone sellers who do not have any solution in use. There is some competition, but there is room for new companies with good and easy-to-use products. Also, the market for phone content transferring tools is just to become big."

Piceasoft founded in October 2012, in Tampere, Finland. It currently has 15 employees. In February, this year, it joined the Tizen Association Partner Program, an "industry consortium that supports the development of an open-source software platform and operating system" worldwide. PiceaSwitch piloted in 20-plus locations worldwide, and, according to the company, the results were good. Revenue has already grown to over $1.5 million, with next year expected to reap around $3.4 million.

Now the firm is looking for an investment to expand abroad and speed up its growth, after initial fundraising has left it with around 300 shareholders - albeit with 80% of that value tied up in its four founders. As Roselius says, Piceasoft can reasonably call itself a crowdfunding success: "Funding was arranged with co-operation with a Finnish company called Vauraus. We sold company shares to normal people. We raised over $1.96 million. After we started co-operation with Vauraus, it was quite a straightforward process. But, it needed also quite a lot of work."

This year, with its Tizen partnership and a Red Herring gong, Piceasoft is targeting further growth in the EMEA region, where Roselius claims it already has a major market share in several nations. Still, there is room for improvement. "We're targeting market leadership in one or two countries," he says. In under two years, Piceasoft has risen at a fast pace. Roselius and co. will be hoping that pace translates to revenue just as quickly.

Pitcher

www.pitcher.com

Mert Yentuer

Cloud Computing

Switzerland

No

» Customers looking to purchase products often need a gentle nudge from the companies purveying their wares. Across industries like pharmaceuticals and banks, sales practices including eDetailing and client advisory services help turn information into sales. Enterprises get a huge boost from perfecting these campaigns; one industry presentation gauges yearly sales and marketing at roughly $15 billion in total for pharmaceutical companies.

Pitcher AG delivers tools for sales representatives of enterprises. The company operates in a wider market called guided selling, a segment that emphasizes leading customers to sales. Upgrading on legacy solutions, Pitcher adds 'sell' to 'show and tell' for sales reps, so that instead of just displaying products and educating customers, reps now have the facility to close deals and provide discounts. The company's technology also allows reps to engage with customers over long distances. It boosts ROI as well: Pitcher AG CEO Mert Yentür reports that Pitcher ramped up sales by 50% for one customer.

The company's offering helps enterprises control their sales footprint across representatives worldwide. Yentür says its end-to-end, turnkey solution frees the customer. The technology allows them, while pitching customers, to drag and drop PowerPoint presentations to thousands of representatives, he continues. And once they are spread out over the company's network, Pitcher's products enable companies to independently analyze results in real time. Importantly, the company's backend is built on Amazon Web Services, meaning Pitcher pays as it goes, as do consumers.

Yentür previously worked at Apple and Adobe and when Apple's revolutionary product, the iPhone, debuted, Yentür and some of his colleagues realized they had the jump on a burgeoning market - one building around developing for Apple and iOS. Their epiphany resulted in a startup called Vayen Solutions, which helped customers produce mobile applications, Yentür explains. But then, across verticals, the company began fielding inquiries about a solution that had a different name in each industry: client advisory, insurance agency interaction, eDetailing.

"It looked like it was replacements for our brochures that our sales reps are using out in the field," Yentür says. Five requests later, the company began evolving from a services provider to a software as a service provider, he continues.

Pitcher's customers come from a variety of industries, mainly fast moving consumer goods (FMCG) companies, car manufacturers, pharmaceutical companies, insurance companies, diagnostic and medical technology enterprises. Upwards of 40 customers in large enterprises utilize its technology, according to Yentür. Among them is Merck/MSD, Pfizer, and Metagenics. Pitcher's presence extends across 96 countries. As it grows, it will continue to expand inside of current customers as well as head further into new markets – primarily, the United States and the APAC area.

"Today we have a solution that we offer in essence the same platform to all of these customers and they can take it, work with their agencies, work internally with their IT projects or work with our partners… and they can build a solution that is tailor fit to their needs, powered by Pitcher," Yentür says.

The company's competition primarily comes from incumbents such as agencies as well as software providers. It is a question of approaches – one that prioritizes innovation, the other that concentrates

on the business side. According to Yentür, technology is Pitcher's core focus and its universal software approach, which customers get to customize themselves, sets the company apart from market challengers.

Pitcher, based in Zurich, Switzerland, is bootstrapped, something Yentür calls both a challenge and an advantage. Even without major investments in the company, Pitcher has doubled growth in prior years, and Q1 shows growth that gets close to matching that which was accomplished in 2013. But getting so big so fast doesn't happen immediately. Yentür points out a chicken and egg problem Pitcher faces as it heads into new territories. When the company plants flags in areas like China, customers want proof of its presence. So, Yentür asks, "should we set up support call centers in geographies when no one is calling or should we tap the right customers first and simultaneously install the company in that location?"

The company is profitable and revenues are scaling. In Q1, the company expanded its user base by 100% and will move into different vertical soon, he predicts.

As Pitcher AG positions itself as long term global strategic partner rather than just a software vendor, it's a move that will bring the company increased revenue as it continues to tackle verticals that are spending massive amounts on field sales and marketing. RH

Pontis

www.pontis.com

Udi Ziv

Telecommunications

Israel

Yes

» The Israeli tech sector is as healthy as ever. One of its members who has a clean bill is Udi Ziv, CEO of Pontis, a Ra'anana-headquartered company providing contextual marketing solutions for service providers.

Launched as a startup with VC funding, Pontis is now active in dozens of countries, engaging over 400 million customers with offices in Israel, Italy, Spain, France, and Turkey. Recently it has made partnerships with providers in even further-flung corners of the world, such as Chile's Entel and the Central Asian-focused Vimplecom. "To maintain competitiveness in today's environment, operators must adopt new marketing paradigms to be able to become more relevant to their customers," says Ziv.

"The idea for the company came from the understanding that mobile communication will completely change the way communications service providers (CSPs) will engage with their customers," adds Ziv. "At the time, marketing organizations were lacking automated analytical marketing tools that could help them understand their customers. We had the vision that customer engagement will be the primary differentiator for CSPs. In fact, this has always been, and still is the main driver for the Pontis' successful business."

Pontis claims to be able to provide individual customer data, so that providers can develop a pinpoint strategy. Its Individual Customer Lifecycle Management (ICLM) addresses the needs of individuals by collecting big data across a wide range of genres. "You can educate and engage a subscriber during the Welcome period; build a long-term relationship and increase usage during Development stage; detect a dissatisfied user and immediately respond with an attractive offer," says the company.

Pontis' data collection also allows service providers to optimize their data offerings, both to maximize satisfaction and to increase customer loyalty. A customer may, for example, spend a lot of data playing mobile games, and run close to the maximum data their plan allows. Pontis makes it possible to offer a contextualized offer tailored to that user's need, and thus create more trust and mutual benefit between provider and customer.

This May the company launched a new contextual data service solution for communications service providers, which it claims can increase data revenues by 15%. And, Ziv feels that it is providing something that no-one in the field can offer: "Pontis is the only vendor today that offers end-to-end real-time continuous contextual marketing engagement solution for CSPs, while combining strong analytical and execution capabilities. Another differentiator is we're the only solution that helps CSPs monetize their data services."

Ziv points to a number of business plans to back his point, including Pontis' holistic marketing approach, cross-channel continuous engagement, and an adaptive marketing solution. He personally sees Pontis' market at a crossroads, with a huge twelve months ahead: "2014 is set to be a watershed year for contextual marketing. We will see service providers continuously engaging with customers, and creating long-term goals of customer satisfaction, and improving customer loyalty over a number of years."

With the big data market soaring, and telcos reaping ever-greater rewards for more advanced offerings and huge mobile penetration, Ziv will hope that he and Pontis can entice an even greater number of providers with its solution. RH

Progenitor

www.progenitorlabs.com

Yen Choo

Pharma

United Kingdom

Yes

» Dr Yen Choo is one of biotechnology's brightest stars. And in Progenitor, his third venture, the much-lauded scientist has proved that he's no novice when it comes to business, either. The proof was there for all to see in Amsterdam this April, when Stevenage, U.K.-based Progenitor bagged one of only eight Red Herring Top 100 Europe Awards given to biotech companies.

"The Red Herring awards have an enviable track record of predicting successful technology ventures and I am therefore extremely pleased that Progenitor Labs is one of only eight biotech companies to have been named in this year's list," said founder and CEO Choo.

Progenitor is, according to its website, "a pioneering regenerative medicine company that develops drugs to regenerate specific tissues of the human body in response to injury, disease or aging." The company aims to help the human body cure itself, rather than responding to the symptoms of disease, by advancing stem cell research - a market that Transparency Market Research last year claimed would reach $119.51 billion by 2018.

For Choo, though, it began not with the bottom line but in the research lab. Choo has a long and distinguished career in biotechnology, having completed the International Baccalaureate at the United World College in Singapore. He then completed a BSc in biochemistry at Bristol University, before embarking on a decade of academia and work in the historic city of Cambridge - first gaining a PhD in molecular biology at the university, then working as a staff scientist at the Medical Research Council Laboratory of Molecular Biology.

It was at the latter that Choo met Aaron Krug, winner of the 1982 Nobel Prize in Chemistry for his work in crystallographic electron microscopy. It inspired him to venture off into the world of biotechnology entrepreneurship.

"I've started three companies," Choo tells the Wellcome Trust. "My first company was Gendaq, which was eventually sold to a U.S. company called Sangamo. This company was set up to commercialize methods for engineering zinc finger proteins.

"I then started Plasticell, which created a technology to produce stem cells for research purposes or manufacture cells for therapy," he adds. "Unlike Gendaq and most other biotech companies, it wasn't a spin-out of any academic institution or any research that had been previously ongoing. The company was founded without a single experiment having been done, and concurrently with the company we invented the technology and provided proof of concept and got patents granted."

Progenitor was formed using technology from Plasticell. Whereas Plasticell's product is the cell itself, Progenitor is focused on the discovery of related drugs. "The idea behind Progenitor is that we're going to find small-molecule drugs that regenerate particular tissues that are damaged in disease," says Choo.

Progenitor is focused on discovery of natural and synthetic molecules that regenerate tissues of the human body. The new venture brings together proven high throughput technologies with a deep understanding of stem cell biology. The key proprietary technology, ProScreen, is a drug screen for molecules that can regenerate cells by acting on adult stem cells resident in the body. In addition the Company has obtained an exclusive license to CombiCult, Plasticell's award-winning combinatorial technology, for use in regenerative drug discovery.

In 2011, the company was voted Best Emerging Biotech at the Oxford Biotechnology Network's Annual Awards Dinner. Progenitor took another stride forward in March last year, when it raised $5.8 million in seed funding from GlaxoSmithKline's Corporate Venture Fund, which Choo said would boost the company's research and development pipeline. That meant that the company split from its parent Plasticell - which Choo also founded, and which has forged partnerships across the world in stem cell research.

In the future Choo plans to expand his portfolio even further, creating "more spin-outs of Plasticell, maybe. Plasticell is a very powerful platform." However for now his time is very much taken nurturing the businesses he has grown from scratch. According to Choo, 99% of his time is filled with Progenitor, with the other one per cent spent directing Plasticell's scientific and business strategy, "but with a helicopter view." Choo already has a list of achievements most people can but dream of. And with a third company set to thrive in an ever-expanding field, that list is sure to grow fast. RH

Rated People

www.ratedpeople.com

Chris Havemann

Internet/Online

United Kingdom

Yes

» Everyone has heard a horror story of a local tradesman botching a job, overcharging or not showing up at all, but that's not to say that the vital services these people provide go unappreciated. The U.K.-based website RatedPeople.com offers homeowners the opportunity to connect with tradesmen and ensure that they are well rated professionals.

When a homeowner needs a job doing in their house, through Rated People they can post a job for free and receive quotes from up to three tradesmen who are interested in the work. The tradesmen are rated by people who have found them via RatedPeople.com, and offer an insight into the quality, value and reliability of the services offered. The company connects more than 50,000 homeowners to tradesmen every month, according to its website. Revenues grew to £12 million in 2013 and there have been over 2.4 million job postings since the website was founded in 2005.

In February this year, RatedPeople.com closed a £6.5 million pre-IPO investment round, comprised of £5.5 million of new equity investment and £1 million of venture debt from Western Technology Investment.

"RatedPeople.com aims to become the place where homeowners can find solutions to their home improvement needs, and the place where quality tradesmen can find work all year round. This investment round, supported by existing investors and a number of leading institutional investors, will allow us to accelerate our brand and product leadership in the UK," Chris Havemann, Chief Executive Officer of RatedPeople.com, said at the time of the investment in a press release.

RatedPeople.com was founded by Andrew Skipwith after builders walked out halfway through a job on his own home, according to a report in the Daily Telegraph. As tradesmen increasingly use their smartphones to find jobs, RatedPeople.com is well placed to take advantage, and will surely achieve its aim of going public sooner rather than later. RH

Recite Me

www.recite.me

Ross Linnett

Software

United Kingdom

Yes

» The Internet has connected the world, but there are those with the necessary infrastructure still struggling to take advantage, through no fault of their own. According to Ross Linnett, founder and CEO of online accessibility company Recite Me, 10% of people on Earth – more than 700 million people – have dyslexia. Combined with those that are visually impaired, colorblind, or non-native English speakers in English-speaking markets, the percentage of users having trouble engaging with the web approaches 30%.

According to experts, they are not having their needs addressed. Research company Gartner stated that people with disabilities (PWD) are an underserved market segment totaling one billion worldwide. "They and their immediate friends and family have an annual disposable income of more than $8 trillion," it added.

Recite Me caters to these users and facilitates their journey online, serving up tools that address specific needs prompted by disabilities such as dyslexia and colorblindness. The company, based in Gateshead, U.K., was founded in 2009 and has secured approximately £500,000 ($857,000) in funding to date. Recite Me is seeking to raise between £2 million and £3 million ($3.5m to $5.1) for its next round at a valuation of £40 million ($68.5m).

Linnett only found out he was dyslexic a year after University. During a presentation at the school's Student Union, someone in the audience noticed spelling mistakes that were typical to the disorder and suggested Linnett get tested. Four tests later, he had been diagnosed as dyslexic. He was presented with two different pieces of software; one to read websites to him and another that would switch a site's background color. A yellow background boosts Linnett's reading speed by roughly 25%, and the experience is more pleasant, he explains.

"This literally changed my life for like a day, and then I realized the limitations of what was out there, and more the limitations of what people were thinking and what people would pay us to do," says Linnett. "I went back to work and I was back to square one because the software was on the PC back home." Looking at the issue, he realized that short-sighted people wear their glasses wherever they go and wondered why something couldn't be created that made reading across devices easier for those with dyslexia.

Linnett started a web development company in the United Kingdom while he waited for technology to advance to the point where he could solve the issue. He launched Recite and Include Me, two pieces of software aimed at improving access to the web for those with disabilities. Recite Me delivers companies a single line of code to install – a process Linnett says takes two minutes – that enables a web site to talk out loud, substitute yellow in as background color, make text over to be high-contrasting, and more. "The key is, any person from any device that accesses that web site in the future now has an accessible version," he explains. Include Me enables users to get documents read to them on PCs regardless of the place or systems, as the software runs across Mac, Linux and Windows, and can be deployed from the Internet.

Recite Me differentiates from the few competitors in its field based on approach as well as ethos. The company opts to create a holistic experience for users online, tackling everything from the color of the screen to the ability to use these tools on the go via a mobile device. "What I found quite compelling about the product was that it took personalization for users with different sorts of visual impairments – e.g. dyslexia, color-blindness, contrast challenges – to a level that could be application specific versus a generic all-in approach that most devices bring to bear today," writes Bob Schukai of Thomson Reuters.

But perhaps more importantly, Linnett says Recite Me sets itself apart by way of its mission. Though the product has commercial appeal for customers, i.e. publishers that want to tap a larger audience, Linnett looks at the company as a way to solve a problem for those with dyslexia. It's about the person, not the machine, he says. Cost also plays a role, as Linnett says Recite Me plans to charge £2.99 ($5.10) per month.

As Recite Me grows, it must continue to educate consumers about dyslexia. While some of world's most influential people, such as Winston Churchill, John F. Kennedy, Henry Ford, Pablo Picasso and Richard Branson have lived with dyslexia, a misconception still exists mistaking the disorder for a lack of intelligence. Linnett says shifting this idea is a culture change. And it's one his company continues to spearhead.

The future will see the company entering and gaining traction in new markets, specifically the U.S. and Australia, and perhaps restructuring its model to reach even more underserved populations. Linnett hopes to offer all Recite Me's products freemium, so that people that need the company's software can get it even if they don't have the resources.

Sales at Recite Me have exceeded £250,000 ($428,500). Breaking even is at the discretion of the company, as it could be accomplished, but capital is instead being allocated towards growth. This is Recite Me's focus and priority, as Linnett describes the pipe dream as exiting with a high-tech titan that understands its purpose. With Google, Facebook, or Microsoft's reach, a common problem for people worldwide could be solved at scale.

SaferPlace

www.saferplace.com

Uri Kareev

Other

Israel

No

» Bad drivers should watch out as Israeli start-up SaferPlace is on a mission to vastly improve the detection and prosecution of traffic offenders.

Founded in March 2011, the Tel Aviv-based firm drew inspiration from the business district in the city, home to some of the most congested streets and worst drivers in the country.

"There were a lot of drivers trying to cut lanes, blocking junctions and much more. We then found out that the police didn't deal with violations that constitute a majority of accidents," says Hila Freiman-Kareev, Founding Partner and current Chief Marketing Officer for SaferPlace.

The founders' response was to develop a software and hardware platform that automatically detects driving violations, identifies the culprit and sends video evidence of the offence to the local police.

The decision to issue a ticket is taken by an actual police officer, who uses the video evidence and his discretion to take the circumstances of each violation into account, so drivers need not fear a 'Kafkaesque' system of automatic fines.

As a result, law enforcement personnel are able to successfully prosecute and fine offenders at a much higher rate than before. "With our technology they can issue 300 tickets a day rather than 20," claims Freiman-Kareev.

SaferPlace is hoping to disrupt the leaders in this $20 billion market such as GATSO, whose founder invented the first speed camera, and the U.S.-based American Traffic Solutions which booked almost $28 million in revenue in 2012.

But according to Freiman-Kareev, neither of these two firms offers the specialized, violation-specific system that SaferPlace has developed.

The start-up has raised $1.5 million to date from individual backers and Israeli venture capital firms, but is still on the lookout for a strategic investor to join them. So far the platform is being used in most of Israel's largest cities and the company is planning to expand into Europe soon.

However, with each new market comes its own set of laws regarding traffic violations as well as differences in prosecuting authorities. Adapting SaferPlace's platform to accommodate these differences has been the biggest challenge to international growth so far.

"It's a challenge but on the other hand it's an opportunity, once you're in then you can show real value to the authorities. I'm just back from Europe where we presented to a major city police force, they were extremely surprised by what we are able to do," says Freiman-Kareev.

The potential of increasing revenue from traffic violations by up to 20 times is an attractive proposition for local law enforcement all over the world. If SaferPlace can successfully adapt their algorithms for European traffic laws, then the company should be on the right track to success.

SecureMailbox

www.securemailbox.com

Anders Jonson

Cloud Computing

Sweden

No

» In certain verticals, sending sensitive data via email could put people in legally compromising situations. In a world that is increasingly utilizing mobile and online platforms, how do these users keep current while staying on the right side of the law?

SecureMailbox provides security solutions to industries that need their emails encrypted and privacy protected in accordance with the legal infrastructure they operate within. The company, founded and headed up by CEO Anders Jonson, delivers consistent protection across devices - a service that is free for individuals and €6 ($8) per month for enterprises. It also offers a pro and business version for €1 ($1.4) and €4 ($5.6) per month, respectively. Jonson as well as angels previously funded the company, which will seek to receive additional capital later this year.

Jonson authored a book in the early 2000s about the mobile Internet and where it was headed. One of the issues covered was identities, where he forecasted that in the future, people would use electronic identifiers like email addresses and phone numbers up to 40 times more than physical ones such as Passports and ID cards.

He also sought to patent an idea based on securing emails utilizing a onetime PIN code. What emerged from these efforts and research was SecureMailbox's first incarnation called Poosty. The venture was born out of a need for more management and safety with regards to communicating over the web.

"We need to make [email] more controllable, more secure and encrypted because we're using the global Internet," Jonson says. "We also need to have the ability to configure every email depending which type of level you need to protect the information that you're sending."

To create an enterprise built on this idea, Jonson and his team took meetings with lawyers to figure out the best way to keep users safe while going by the law. Jonson noted the convergence of the American Patriot Act and European laws concerning what telecommunications companies needed to hold onto from their users and took action in his own company. "We recognized that we need to separate the metadata in the email system from the content, and that's what we do," he says. "The unique thing with SecureMailbox is that it's a legally correct, implemented email system for every user in the world."

SecureMailbox serves a variety of verticals as well as individuals. Its primary customers include healthcare companies, governments and large enterprises. It has counted big companies such as Volvo and Ericsson, as well as celebrities seeking some privacy, as customers. These clients share commonalities in that they value security and often have guidelines with regards to information sharing that they need to comply with. For healthcare organizations, this means patient confidentiality and HIPAA – a challenging premise in an increasingly digital world.

"[SecureMailbox] works in both mobile and desktop environments, legally right and easily integrated in our existing applications. We have tough regulations in Sweden regarding communication of patient records and other sensitive information regarding our clients," explains Fredrik Jambring, senior consultant at Maxillofacial Surgery. "We can also use SecureMailbox to communicate with our patients - that is good, it really works like any mail system, but it handles all legal issues in a secure and correct way."

Meanwhile, enterprises take advantage of SecureMailbox's offering for massive cost savings. Jonson estimates that 50-70% of IT costs are down to managing devices such as iPads, iPhones and computers.

"We need to protect the communication, so we need to have the ability to call encrypted, email encrypted and Skype or whatever we do," says Jonson. With this as a mission, SecureMailbox can also send IT costs tumbling by 50-70% in three years.

Now, the company's main challenge relates to scaling. Secure Mailbox already leverages many users, but it must make sure it's capable of serving hundreds of millions of them.

The company will raise more funding in the future, and is targeting a half billion dollar valuation. Revenues are trending towards $1.2 million at the end of 2014, and Jonson projects sales will accelerate to $7 million next year, and then to $31 million the year following. He also forecasts the venture will grow six fold each year.

SecureMailbox has already established itself as a global company with its target footprint extending from Europe to Asia and South America. Its product will get translated into five more languages in 2014, while Africa and the Middle East have seen the company roll out services already.

With SecureMailbox's gross margins hitting 95% and a business model built for speed, the company's seems to be heading straight into a booming opportunity.

SGP Technologies

www.blackphone.ch

Toby Weir-Jones

Hardware

Switzerland

No

» Now more than ever, individuals worldwide have cause to believe that their personal data is neither private, nor secure. The revelations of Edward Snowden and other incidents mean people have a heightened awareness of global governments' ability to track and learn information about them.

Security companies are starting to feel the benefit of a swelling crowd that cares about these issues. SGP Technologies, a Geneva, Swiss-based joint venture between Silent Circle and Geeksphone, provides a security conscious smartphone to an ever-growing group of mainstream users approaching critical mass. The device the company makes is called the Blackphone, and it promises to keep the Internet from looking over users' shoulders, according to the company.

"You should have the choice as to whether or not you're leaving that trail of digital breadcrumbs," says Toby Weir-Jones, CEO of SGP Technologies. "That trail reveals everywhere you go and everything you do, everybody you talk to."

The Blackphone prioritizes security and runs on an SGP owned Android platform called PrivatOS. Its software system allows for users to search anonymously and engage in private calls, video chat, texting, browsing, conference calls and file exchange at 100 MB or less, according to the company.

Packed in a $629 device is $879 worth of services. In February, SGP Technologies debuted the smartphone at Mobile World Congress and also announced KPN Mobile – which focuses on markets such as Belgium, Germany and the Netherlands – as its first carrier partner, though users could also buy the phone unlocked. The device, was made available for preorder in February, and quickly sold out.

SGP Technologies serves a massive audience, one that has grown with people's recognition of the importance of privacy and security. The company sells its wares to individuals running the gamut from globetrotting executives to anyone with a wish to keep information close to the chest, as well as enterprises.

Weir-Jones says SGP will anticipate shipping millions of phones in Blackphone's first 24 to 36 months, as well as achieving breakeven before the first year is over.

SGP Technologies is the result of two companies joining forces: National Harbor, MD-based Silent Circle, which had been leveraging security products by way of apps and subscriptions, and Madrid's Geeksphone, which had been producing handsets and seeking for a way to separate itself from the masses of other device providers.

Blackphone is SGP's flagship product, one that rides a strong wave of interest from consumers dealing with privacy issues in a digital world. As it is privately funded, Weir-Jones did not disclose how much backing SGP had received, though he did say support came from two joint venture partners and hinted at the size of the pot, saying the company is generously funded with access to significant resources.

SGP Technologies does not produce phones in a vacuum. "We expect that you aren't going to live in a bunker with canned food and your smartphone. You want to play Angry Birds, you want to do Facebook," says Jon Callas, cofounder and CTO of Silent Circle.

"This is for not the 10,000 people who need the Merkel phone or the Obama phone, but the few million people who need a phone that are not having their needs addressed by the likes of Samsung Apple, etc."

The company differentiates from run-of-the-mill mobile providers by emphasizing security above all else, and legacy security solutions by way of ticket price and services. Previous security options were much more specialized and expensive, and only fit the needs of niche environments, says Weir-Jones.

And while his company is not alone now in catering to the mainstream consumer's security needs, Blackphone does so better, he continues. On the software side, challengers can't compete with the smartphone's ability to protect user communications, even with individuals outside the device's network, Weir-Jones adds.

SGP has found its audience. Now, the challenge is not seeking new customers, but serving them as quickly as they can.

The Blackphone primarily hit Europe first with KPN Mobile and will later move forward with different partners. But the smartphone maker is already a global company. "We can service customers basically anywhere that we can get a shipping address that one of the major logistics companies can get to," Weir-Jones says. "We didn't want to exclude the individual end users who lived in those far-flung corners of the world."

For SGP, the Blackphone is only the beginning. Demand is fervid for devices that make users feel safe and secure. Weir-Jones says that his company can't be a one trick pony, and that everything from fresh features to a family of devices could be in the works. So long as people feel that technology intrudes, they will always be a high demand for products offering consumers privacy. RH

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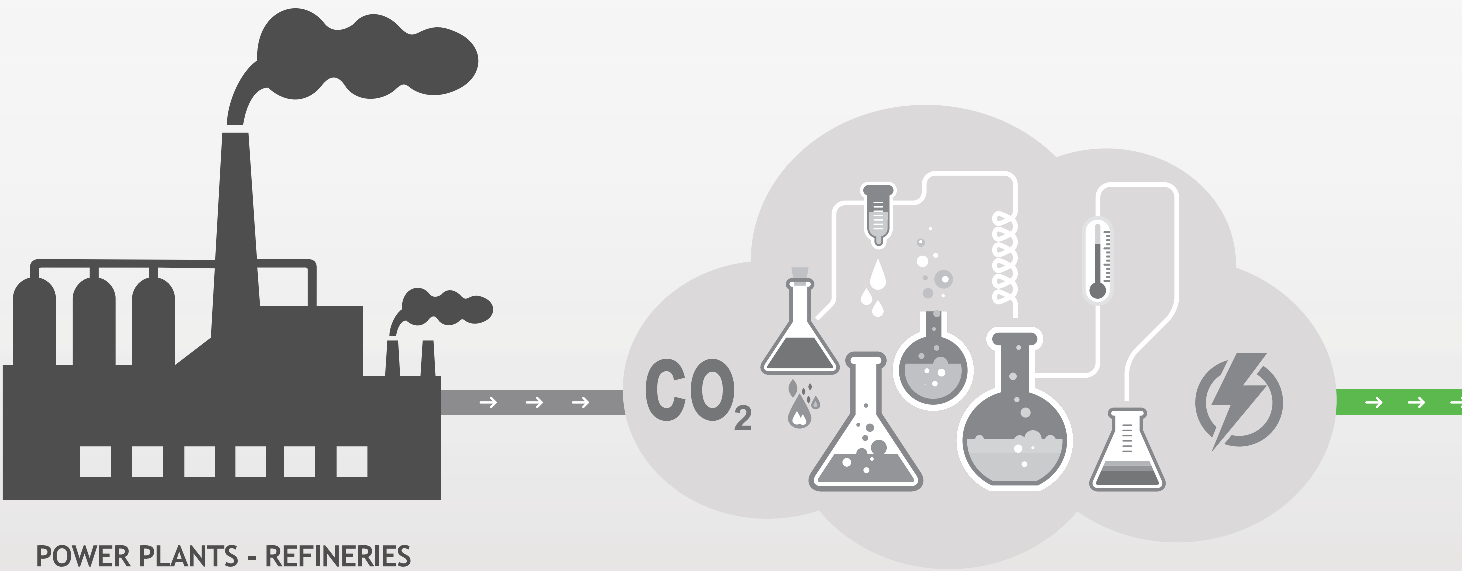

POWER PLANTS - REFINERIES
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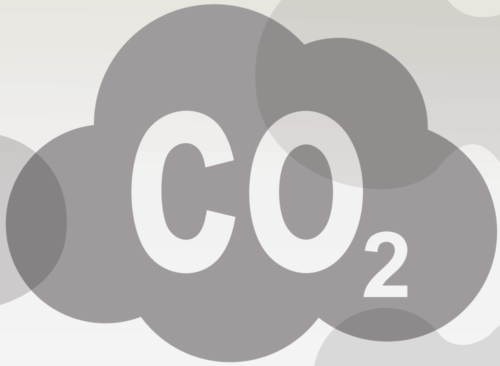

SKYONIC CAPTURES HARMFUL GREENHOUSE GASES BEFORE THEY DAMAGE THE ATMOSPHERE

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Skyonic

Simplify Digital

www.simplifydigital.co.uk

Charlie Ponsonby

Software

United Kingdom

No

» In recent years, the software as a service (SaaS) market has exploded. A recent report suggested that it will be worth $53.5 billion in the U.S. alone, by 2018. Across the Atlantic, Simplify Digital has expanded a service which six years ago offered price comparison services to television, broadband, and home-phone customers, to become a multifaceted firm with revenues rising up to 100% per year.

Simplify Digital began life back in 2008 as a proprietary sales platform selling directly to customers via an online portal, call centers, and face-to-face custom. CEO Charlie Ponsonby had worked on an acquisition at Sky of a broadband retail business, the previous year - and saw an opportunity to found his own, better customer advice service.

"To create a service that simplified these complex and confusing offerings, we needed to create, not only an online retail proposition, but also the ability to engage customers over the phone," says Ponsonby. By 2011, that service was upgraded to incorporate other clients, and by this year the company had become a fully-fledged SaaS provider working across multiple verticals.

In December 2007 Ponsonby raised a total of $7.6 million in four investment rounds. The investment team packs some serious weight in Simplify Digital's market: "Jon Moulton, chairman of Better Capital, is our lead external investor, along with a group including Lord (Clive) Hollick, David Verey, ex-chairman of Lazards; Lord Stevenson, Tony Bloom, chairman of Cineworld, and Tony Ball (ex CEO of Sky and ex Chairman of Kabel Deutschland)." For the past three years Simplify Digital has been profitable, and growth and investment have been funded by cash-flow.

Revenue in 2014 is expected to be $43.3 million, up from $26.7 million in 2013 and $12.5 million in 2012. Net profit this year is forecast to reach $4 million, though that adjustment is arrived at after the spending of $3 million on R&D, which the company has increased steadily since its inception. R&D costs were 2% of revenue in 2012, 5% in 2013 and 7% this year.

The company offers customers its SaaS product at two key junctures: first, as prospective clients weigh up the market and make decisions on providers. Secondly, as customers reach the end of a deal, or consider upgrading their existing services. Simplify Digital's range of in-store, online, call center, and mobile analytics allow customers ease of use, and sales staff a raft of easy-to-access database information. Its analytics are laid out in simply, colorful styles that allow customers to make choices based on the unique details of their home life.

Simplify Digital's integration with provider CRM systems allow sales teams to quickly identify shortcomings in the competition, locate the option best for his or her customer's lifestyle, and to enable a switch, retention, or upgrade with minimum effort. There are around 6.5 million switches in the U.K. per year, which equate to over $1.7 billion in marketing costs for TV, broadband, and home phone providers.

With cash-flow healthy and revenue growing exponentially, what next for Ponsonby and co? "Our key strategy is to continue the focus on our SaaS business – deepening our client base within the UK TV, broadband, and home phone vertical – and developing our technology infrastructure to allow the rapid roll out in other verticals, e.g. energy and mobile telco, in 2014-15," he says. Simplify Digital's energy proposition launches in September this year, and will allow energy switching on a mobile device. As SaaS grows, Simplify Digital appear to have ridden the market's biggest wave. RH

SingOn

www.singon.com

Samu Keränen

Entertainment & Media

Finland

No

» Ever worried you're awful at karaoke? Yes, you're the same as almost everyone else. Thankfully SingOn, a Finland-headquartered startup, has the answer. The game, which launched this April on PlayStation, allows each 'singer' (the inverted commas are important if you're ever experienced karaoke) to alter their voice using Autotune. Lyrics move up and down depending on the pitch of the song being played. SingOn also has a 'Roboon' feature, which distorts the sound of the singing voice to make one sound like a robot. Or, as SingOn's website describes, a "party monster". You might not sound like Celine Dion, but you might not come off as Bai Ling, either.

SingOn began in the 'living lab' city of Oulu in 2009 and is headed up by Samu Keränen, who splits his time between the Finland and Brighton, U.K. It first began in 2009 as a purely web-based karaoke platform. But, after having accrued 100,000 users, he decided to move his idea across to consoles, where the popular SingStar game provided Keränen with the inspiration to shift his business plan. "SingStar has an outdated business model," he argues.

"Users do not get the content as fast as they should and it is limited to Playstation."

Instead of offering downloadable content, as is offered by Rock Band, for example, SingOn offers a three-tiered subscription model, with a Spotify-styled ability to gather most pop tunes. For around $5 you get three hours of music - enough for, say, a dinner party. $10 bags the user 48 hours, while a year's subscription can be purchased for just over $80.

"An important point for us is to make sure SingOn's always current," says Keränen. "Our dynamic streaming services allow us to launch with thousands of songs and to update the game every week with new tracks. Even within the company, we have widely varying music tastes so we know how important it is to offer something for everyone."

Music videos are not enabled by the service, but experts have speculated that this will ensure better streaming functionality. However, a mobile app has been created that makes the device act as a remote control, so that music can be searched for, and teed up, while someone is making a star/idiot of themselves.

The total karaoke market is, according to Keränen, worth $13.5 billion. And that's not just Scarlett Johansson in Tokyo: karaoke is a worldwide industry. And with SingOn, Keränen believes he and his company has created the movement's 'Third Generation Karaoke Service', where the first was traditional karaoke machines, and the second was SingStar.

Last year SingOn raised $2.43 million from over ten angels and also includes ELY money. The private proportion of the round was $2.03 million. That, combined with a previous $677,000 injection from Finnish investor Vision+, brings the total funding for SingOn to $2.8m. But for Keränen, it isn't enough. Following April's PS3 launch he wants to expand the operation. And by the end of 2014, he expects to have broken into the U.S., New Zealand, and Australian markets.

SingOn may not have been the most conventional startup at this year's Red Herring Top 100 Europe Awards in Amsterdam. But, it might just be the loudest. RH

SN4Mobile

www.sn4mobile.com/eng

Jukka Hyttinen

Software

Finland

No

» SN4Mobile has several competitors in the mobile survey sector, one of which is giant Questback. But Jukka Hyttinen, SN4Mobile's young CEO, sees the major threat to be elsewhere. "I would say the biggest competitor is thinking," he says. "Companies tend to think about efficiency and costs in management but concentrate on customers mainly once or twice a year. This is the thinking we need to change."

Hyttinen conceptual approach to the market reflects SN4Mobile's dedication to leading-edge technology, in a mission to corner the market in optimizing companies' customer services offerings. Its concepts and systems have helped customers in a wild variety of industries, from automotive to energy, retail to air traffic control. SN4Mobile currently serves customers in the Nordic states, Baltic region and Russia.

SN4Mobile is located in the Finnish city of Espoo, the country's second-largest and just 19km from the capital, Helsinki. It has a revenue of around $1 million, and has been collecting some of the continent's most prestigious awards. Last year the company was voted one of Deloitte's Technology Fast 50 Finland 2013 Rising Stars. And this term it became one of 21 Finnish outfits to make the Red Herring Top 100 Europe in Amsterdam.

Among the cornerstones of SN4Mobile's business is the fact that 86% of customers would pay more for a better customer experience. Combine that with the longstanding adage that one satisfied customer tells five people about his or her experience - a statistic that can be multiplied infinitely in the social media age - and it becomes clear why a growing number of firms are turning to SN4Mobile for its electronic solutions "in all phases of the customer life cycle." These include models for marketing, sales and customer service.

"What makes us different is that we don't provide software for surveys but management," says Hyttinen. The traditional way of doing IT is giving a company a software that they will then figure out how to use. We have knowledge, competence and know-how to guide our customer how to measure customer experience, what to measure and how to turn the information into development of personnel and organization's functions and processes.

"Our customers gain results," he adds. "Last year 80% of our customers improved their customer experience on average by 19%. If you consider that monetary-wise, that kind of increase is quite often equal to resolution rates in customer service or hit-rate in sales. Depending on the company size, 19% increase is a lot of money."

SN4Mobile, Hyttinen is quick to assert, has never received funding from private investors. Instead, the company got a small initial boost upon its foundation in 2002 from TEKES, the Finnish Funding Agency for Innovation, in the form of a loan. Now that loan has been paid back, and the company is funded by its positive cash flows. In fact Hyttinen is rather critical of the European venture capital market, which he feels is hampered by a lack of risk-taking.

"We have never had funding from private investors," he says. "I would say that finding the right VC seems quite challenging in Europe, especially when you start a business. Later receiving funding becomes easier but then it's a question of relevance and if taking venture capital seems the right way of backing up the growth for a business."

With awards and customers in the bank, Hyttinen is planning this year to expand SN4Mobile's reach throughout its existing markets, and perhaps to move into new European regions. Globalization, he feels, will dictate which markets the company enters in force: "I expect the voice of customer markets to grow especially within the industries where global competition arises and new means are needed to ensure customer loyalty."

Then, the next step is for SN4Mobile to be made a truly international outfit. It's something that Hyttinen thinks his brand can achieve, and something he is relishing the opportunity to try: "My personal plan is and ambition is to internationalize the company. That I can see as a great and really interesting challenge." RH

SoftKinetic

www.softkinetic.com

Michel Tombroff

Consumer Electronics

Belgium

Yes

» The speed at which camera and motion capture technology has developed is beautifully symbolized by the fact that products that were considered revolutionary 15 years ago are now collectors' items, adorning shelving units in trendy New York loft spaces.

While most areas of technology took off, niches that struggled included virtual reality and motion sensors. Consumer imagination had been ignited, but the tech was not there. The results included seizures, product recalls, and a litigious minefield.

But virtual reality and workable motion capture are now very much back on the agenda, and the technology and engineering that is fuelling this resurgence is finding a plethora of uses.

SoftKinetic is one such company that, in a few short years since its inception in Brussels in 2007, is already partnering with some of the biggest names in technology across a wide range of fields. Its DepthSense® 3D Imaging time-of-flight CMOS sensor is smart enough to understand the most subtle of everyday human gestures, while its award-winning iisu® ('The Interface is You') is a complete platform for natural gesture development and deployment.

Michel Tombroff, the company's CEO, joined SoftKinetic in its first year and quickly put to use his 17 years of software engineering and management experience of start-up, pre-IPO, and public stages of corporate development. He helped mould a small team of talented creative people into the core of a fast growing international company.

Tombroff believes success so far is down to a "mix of creativity and discipline", but emphasizes the "creative spirit" and talented members that make up SoftKinetic.

The company has doubled every year since it began, in terms of revenue and footprint. With headquarters in Belgium, offices in Sunnyvale, California and Seoul, South Korea and just under 100 staff, the company turned over $16 million in 2013, up from $7 million in 2012 and is EBITDA profitable. It also boasts a robust IP with 58 granted patents, covering 14 inventions and more than 100 pending applications across sensors, systems, and software.

When it comes to competition, Tombroff says the company is difficult to categorize. "We have three components; there's the sensor or brain of the thing, then you need the architect, the sensor system with the right optics, and that in itself is also hard," he explains. "Then you need the software to detect all of these things and then wrap it up into a product."

Tombroff says that while certain companies focus on one element, "we found the only way to do it properly is to solve the whole problem". And this 'whole-solution' strategy has clearly worked.

Intel is a client and Mark Yahiro, managing director of new business, perceptual computing, Intel, praises SoftKinetic as a leader in the field of 3D gesture recognition "who is helping make our vision of natural, interactive user experiences a reality".

"We are excited to enable new experiences using 3D gestures in combination with voice, augmented reality, and other perceptual capabilities," he adds.

Gaurang Shah, VP audio & imaging, Texas Instruments, says opportunities are abundant. "There are a plethora of applications that can benefit from the accuracy and resolution of this technology," he asserts.

"Imagine an end equipment designer tilting, rotating, compressing and expanding a new product in 3D to inspect and evaluate it on their PC before committing to a hardware prototype. We believe our collaboration with SoftKinetic will ignite more applications like this, and foster further technology innovation to simplify the way we interact with machines."

Ubisoft is also a fan and praises SoftKinetic's iisu architecture for allowing the company to "quickly develop and refine our latest Just Dance game for PS4", asserts Nino Sapina, executive producer, Ubisoft.

While the company is clearly well regarded there are of course challenges, according to Tombroff. "Success depends on adoption by consumers, and we are not controlling this as these are customers of Intel, Sony etc. so they need to be successful."

He adds that the second challenge is catering to the very different natures of the organizations they work with, noting the differences between Sony as a videogame company in Tokyo and Intel in Silicon Valley.

The company is looking to model itself on semiconductor intellectual property supplier ARM and in doing so will license its technology in the same fashion. And with solutions for a multitude of industries, it is easy to accept Tombroff's assertion that the company could become a $100 million entity in a short space of time.

Last year the company crossed an important milestone by becoming profitable. Tombroff also suggests the company has perhaps grown more organically than some Silicon Valley companies, thanks to it being based in Brussels – not the land of $50-$100 million funding rounds.

Plans are well underway to penetrate the automotive market, where 3D and sensor technology is becoming a crucial element of any modern car and is very much integral to driverless cars of the future.

SoftKinetic is also already in conversation with other companies about putting 3D elements and scanners in phones. Perhaps the most "exotic market", as Tombroff nicely puts it, is that of augmented reality, where the company sees "a lot of potential".

With so many opportunities and an already impressive client list, there is a real sense that the company's impressive future is not virtual, but a distinct reality.

Sol Voltaics

www.solvoltaics.com

Mats Reimark

Clean Tech

Sweden

No

» Lund University, in the southernmost Swedish province of Scania, has a long tradition of turning scientific research into technological innovation. Ultrasound, dialysis, and Bluetooth technology are all examples of discoveries that have their roots at the institution.

The nearby Ideon Science Park is home to a number of companies that grew out of the University's research departments. Among their ranks is Sol Voltaics, a Swedish startup, that manufactures miniscule structures less than one billionth of a meter wide, known as nanowires. These nanowires link tiny components into extremely small circuits and have a wide variety of commercial applications.

Sol Voltaics uses the unique light absorption properties of nanowires to create their signature product, Solink, an ink-like material, which when added to solar panels can increase their efficiency by up to 25%. The expensive and highly specialized equipment needed to manufacture nanomaterials means that they are currently only produced on a small scale in laboratories around the world. But, Sol Voltaics is currently developing a production line to manufacture the nanostructures on an industrial scale.

"We have a proof of concept for the factory and hope to have the machines up and running by the end of the year. Right now, we have over 120 patents, both granted and pending ones, there is a lot of know how in this business, and its a very groundbreaking thing that we are trying to do," says Erik Olsson director of business development at Sol Voltaics.

In 2008, a group of researchers led by Professor Lars Samuelson launched the company after his efforts to improve solar panel efficiency using nanomaterials started producing spectacular results. They received early backing with a $22.9 million investment from Foundation Asset Management and began the difficult transition from a research laboratory into a competitive business.

But significant challenges still remain for the firm, which recorded a $2 million loss in 2012, driven by employee costs of $1.4 million. Unless they can scale up production of their nanotubes quickly and cost effectively, they are in danger of being snuffed out by the market incumbents.

Three years of consolidation in the solar photovoltaic manufacturing industry has created a significant market for Sol Voltaics' signature product. According to the latest market research by NDP Group's Solarbuzz, the prices of solar photovoltaic cells have fallen by more than 50% since 2011 while the number of suppliers has declined from 250 in 2010 to 150 in 2013.

This has driven a search for ways to improve the efficiency of these cells, thereby reducing the number of produced and cutting costs. According to Olsson, when Sol Voltaics' customers see the efficiency gains from its Solink product, they become "religious".

"When they see that they can have better performance at lower costs, it takes their breath away, the value proposition makes this an extremely compelling market. The solar market is worth $45 billion a year, and we are advancing to the whole market, particularly China," he says.

Sopsy

www.zet.com

Can Turanli

Internet/Online

Turkey

Yes

» Across the world e-commerce is on the rise. In the U.S., online retail spending grew 14% in 2013, according to a report by comScore. Meanwhile in Europe, online sales grew by 16% last year, a Europe B2C Ecommerce Report presented at the Global Ecommerce summit in Barcelona revealed. The rest of the world is seeing similar, if not steeper, increases in online retail, spurred on in part by mobile Internet.

The greatest fears for some brick and mortar stores is that they will be left behind by the e-commerce surge, and some do not have the technology know-how to build a website for their business. In Turkey, Sopsy is offering businesses on the street the chance to set up their own e-commerce store, with no coding, no programming and no hassle.

"People in our region have known commerce for thousands of years, but they can't sell online," explains Sopsy co-founder Can Turanli. "So we wanted to give them a product where they don't need to know Internet or coding or designing. So, Sopsy is born."

Sopsy certainly lives up to its promise of simplifying the process of setting up an online shop. The setup procedures are comparable to that of Twitter and Facebook, and it is hard to see anyone not being able to manage it. There are plenty of companies offering businesses the chance to build an online store, but few can match the ease of use that Sopsy provides.

The founders of Sopsy also run the design marketplace Zet.com and both of the companies are performing well. "In Sopsy, there have been over 20,000 stores opened, much more than Turkey's current active e-commerce stores. So, it's going very well. And in Zet.com we have over 30,000 unique design products, which makes us the biggest marketplace for design products in Turkey. Both are going very well," says Turanlı.

So far the company has raised $1.2 million and is currently looking for new investors in order to increase promotion of the site and get more businesses online. Turanli says one of the company's main goals over the next 18 months is to make Sopsy available in other countries. The website already has multilingual and multicurrency support, but it is not yet promoted in other countries outside of Turkey.

Sopsy does face challenges however. "Putting a product online to sell with Sopsy is very easy, you can do everything with your smartphone, you just give your email or use Facebook login then you have a store. It's easy but having a store online is one thing, selling is another," explains Turanli. "So our main challenge is to make people who open an online store to sell products. So first starting with designers who design unique things, we get their Sopsy products and put them to our marketplace automatically. They promote their Sopsy stores to sell, and we help them sell more with our marketplace."

One of the key elements of the Sopsy product is that all of the websites created for businesses are mobile ready. Mobile Internet has been a massive driver of e-commerce in developing countries, especially in those with less broadband penetration than more developed countries. It is also now a large part of online sales in countries such as the U.S. "On Black Friday, over half of our traffic came from mobile devices," said Brian Monahan, VP of Marketing at Wal-Mart, at the Ad Age Digital Conference.

As e-commerce continues to grow, companies in every sector will have fewer and fewer excuses for not having an online presence. Any company not selling online is throwing money away, and without barriers such as technical limitations and high costs, and with services such as Sopsy's to take advantage of, there is no reason not to delve into e-commerce. RH

Starmind International

www.starmind.com

Pascal Kaufmann

Software

Switzerland

No

» Whether via Google Search or Siri, data searches today usually involve building up a query with context, something that enterprise workers might rather not waste their time with. Without providing qualifiers and sifting through results, how do employees get work questions answered in a comprehensive way?

Starmind International AG has made its mission empowering employees at corporations with the power of 1,000 brains. Instead of facing a problem alone, these workers can ask Starmind any question, and the company's technology dispatches the sender's anonymous query to an expert inside the enterprise with the knowledge and knowhow to help.

That question and answer becomes part of the company's collective brain, available for future reference – just as human beings store answers and experiences.

Starmind International's origin story sounds like a plot out of science fiction. At Northwestern University in Chicago, IL, cofounder and CEO Pascal Kaufmann was sustaining life in brains that had been removed from animals. In his experiments, Kaufmann linked these brains over wires, mobile robots, he says. And from what he labels as cyborg-like experiments, Starmind was born.

"When you're working at the intersection between brain and machine, there's so many questions you come across that you cannot solve," he says. "The idea came up to build a huge artificial brain so that you can send questions to [it] and the brain would solve for you."

Starmind, headquartered in Zurich, Switzerland, serves an enormous market full of large players: any business with more than 1,000 employees. It concentrates on the U.S., Singapore, Switzerland, Germany and the U.K., and Kaufmann gauges the market opportunity, which he calls untapped, at $5 billion to $6 billion per year.

The company's targets include organizations in the pharmaceutical, banking, telco and research verticals. On its journey so far, Starmind has secured nearly $10 million from a network of investors, most of whom are chief executives, and the company will seek to gain further funding in the future.

The company sets itself apart from other artificial intelligence companies via its brain technology-based self-learning algorithms. Kaufmann contrasts the experience one will have with Apple's Siri against what Starmind builds. "We do not believe in semantic analysis of dead letters and somehow trying to extract meaning," he says. "What we believe in is connecting living brains of people to give rise to a huge corporate brain." That organic element – the injection of humanity into traditional AI – makes Starmind's offering unique compared with other tech put out by players such as IBM.

Rather than these providers, Starmind mostly competes with the world's know-it-all search platform, Google – though Kaufmann characterizes the company not so much as a competitor rather a substitute for Starmind. The Mountain View-based company has become so connected with the process of answering users' queries that its name has become a verb meaning to retrieve information.

And yet, the titan has shortcomings in areas Starmind has made its specialty. Kaufmann points out that with Google search, context is crucial. Phrasing a question the right way unlocks the data you need, but nailing the correct wording can take time and end in user frustration. And even after a user finds the answer they're looking for, it might be embedded inside a seven minute video tutorial, for example. Workers forced to hunt down the answers they seek ultimately lose time and momentum.

Meanwhile, other companies that offer comparable offerings as Starmind are less popular with users. Kaufmann says that the "Facebook for companies" approach has flopped. Chat and networking applications can't beat Starmind's usage rate.

The main obstacle Starmind currently faces is brand awareness. As a company based in Europe, it can be hard to get a foot in the door as it heads west across the Atlantic. "It's a sales issue that we have. We have to attack the market fast," he says. "The challenge is [getting] the attention to the decision makers in these large companies."

At Starmind, revenues are scaling fast. Kaufmann says turnover has increased by a factor of three almost every year over the last three years. Starmind seeks to clear double-digit, million-dollar sales in 2015.

The company has yet to lose a customer that pilots its product, and has made client retention a priority. Starmind's goals with regards to the beneficial effects of its technology are clear, as its values are listed on the company's website - one of which states: "By 2015, we want to have a positive impact on the working life of more than 150 million people."

Starmind moves towards that objective every day as the company eliminates employees' fears of asking questions and gets them the information they need to do their jobs.

Right now, Starmind accomplishes this via a B2B product, but Kaufmann says the company endeavors to provide a mobile product meant for consumers. Starmind, which leverages the expertise of the masses within a corporation, could soon open up its offering to an even bigger crowd. RH

Swyx Solutions

www.swyx.com

Ralf Ebbinghaus

Cloud Computing

Germany

Yes

» The Voice-Over Internet Protocol (VoIP), Unified Communications (UC), and Over-the-Top Communication markets are crowded with big names like Microsoft, Cisco, and Facebook. But as demand for these services increases, so does the opportunity for smaller companies such as Swyx which have established reputations for being able to anticipate the future and execute on promises.

Swyx develops software that, when installed on a Microsoft Windows server, integrates all of its customer's communications into a single interface. This includes features such as instant messaging and video conferencing, alongside traditional phone services. The company also sells IP deskphones, USB headsets, and a PC-based "softphone," and licenses its cloud-based data center to Internet service providers. Swyx is profitable, and generated 60% growth in revenues last year.

In many ways, Swyx's corporate history can explain the recent developments in telecommunications that have contributed to the current market for Unified Communications. The company was founded in Dortmund, Germany in 1999 to develop products for the new Voice-Over Internet Protocol (VoIP) communications market. VoIP turns analog audio signals into digital data that can be transmitted over the Internet, allowing users to bypass the traditional phone companies. While many of its competitors were building hardware for the traditional phone network, Swyx focused on pure IP, software-based communication solutions for their customers, mainly small and medium-sized enterprises (SMEs). By 2004, with the emergence of VoIP providers like Vonage, it was clear that Swyx had made a safe bet on the future.

This long-term vision was a sign of things to come. In 2007, Swyx began developing products for the business telephony market's move to the cloud. The company was rewarded in September 2013, when it became the first UC solution to be offered by Deutsche Telekom data centers. "The decision of the largest European telco Deutsche Telekom speaks for itself: After extensive market research that included a comprehensive audit of our competitors they decided for us and our cloud solution," explains Swyx CEO Ralf Ebbinghaus.

Although the company is currently capitalizing on the development of its VoIP and cloud-based technologies, Swyx is again looking to the future. "We have recognized a huge, untapped, global market for 'business voice' services using over-the-top communication (OTT)," says Ebbinghaus. With established competitors like Skype and WhatsApp, Swyx is certainly not alone in OTT, a market expected to be worth $45 billion by 2016. But it may have found a niche by offering an app that unites the important features of both private and business communications. The app is designed for enterprise customers and should not only allow companies to save money on calls; it will support the growing trend towards bring-your-own device (BYOD) and help companies move away from desktop phones. A freemium version of the product was being piloted with some of the world's largest mobile carriers this summer.

The company's goals now are clear: "To attack and disrupt the market with our Freemium Business OTT strategy and increase our market share internationally," explains Ebbinghaus.

Swyx, which is not currently seeking investment, is backed by Dutch-based Nedamco Capital, the T-Systems Venture Fund, and Wellington Partners. The future of the company will hinge on the success of its OTT business communication segment. Based on its track record, expect the company's newest service to address its customers needs, even if it does take a few years for the market to realize what Swyx has already seen.

Tasit.com

www.tasit.com

Birol Kabakoglu

Internet/Online

Turkey

Yes

» Birol Kabakoglu had previously owned or invested in both a car and software business before he had the idea to merge the two and create an auto marketplace in Turkey. The German-born entrepreneur gauged the potential for such a service in the country, and after coming together with 150 car dealers in 35 different Turkish cities, he decided there was enormous demand.

Tasit.com was established in July 2009, and connects buyers and sellers of vehicles on its marketplace. The company created the first mobile app in Turkey which allows users to publish car adverts online with a smartphone.

The company's main competitors in that space are arabam.com, araba.com and hurriyetoto.com. But Kabakoglu believes his company has the edge. "In the automobile vertical market, we are present almost for five years now and we are ahead of the competition in terms of car ad amounts, quantity of dealers, and online traffic," he says.

"We are very product oriented. Besides car ads, we provide intelligent automotive data for the financial and insurance market and we generate content and video content for automotive enthusiasts," he adds.

The company's first investor was Ralph Werner, who previously held leadership roles for eBay in Germany and was also managing director at mobile.de, one of Germany's largest car websites. The company has since received funding from a number of individuals and VCs, and its latest round of financing was through Turkish firm Aslanoba Capital. Tasit.com currently has 20 partners and $3 million of investment.

The company's main differentiator from its competition is the know-how of its management board and advisors, according to Kabakoglu. "We have international advisors and managers on board who have invested in and managed the same business model in the same industry around the globe and it is a great advantage having them guiding us through our journey," he says.

But the company still faces challenges. The website has a large suite of tools and gadgets for dealers, but cannot introduce as many as Kabakoglu would like, as it would be necessary to train the dealers to use the technology. The CEO reports that only around 20% of car dealers in Turkey currently have online businesses.

In this respect Tasit.com is waiting for its market to catch up, but the company already has a clear head start on the business which out there. "Tasit.com was established in Turkey in 2009 with a desire to create the biggest online automotive marketplace by the motto 'A click away from your dream,'" says Kabakoglu. With the current rate of growth, the CEO may be close to his dream as well.

Teads

www.teads.tv

Bertrand Quesada

Marketing/Advertising/SOE

France

Yes

» The advertising industry is evolving to adapt to trends like real-time bidding and video advertising. Data from eMarketer, gauged digital video advertising for the year 2013 at about $4.15 billion. It's a small subset of the total advertising space, which eMarketer estimated at $171.3 billion last year.

According to the research, that sm, egment ramped up revenues by 43.5% over the previous year. The space around digital video is scaling, and fast, as publishers turn to solutions they can embed within content and use to drive returns from inventory.

Teads, based in Paris, facilitates the process around optimizing inventory for publishers. The company was started in 2011 by Loïc Soubeyrand (now CEO), Loïc Jaurès (now CTO) and Olivier Reynaud (now CCO). It counts Pascal Gauthier (previously COO of Criteo), Partech Ventures, and Elaia Partners as backers, and has secured $5.5 million in funding from the latter two.

The company invented the "outStream" format, and Teads now serves publishers, ad networks and buyers. Among its customers are international brands such as Vogue, The Guardian, Yahoo!, Le Monde, Forbes, Hearst, Orange and The Economist.

"The best monetization [publishers] can get is through branded ads, but with branded ads the best dollars you can get is through video ads," says Gauthier. "Teads' technology was helping solve that by creating… video placement on pages and helping publishers like The New York Times to increase monetization of their pages by being able to sell more video ads."

The video advertising space has become more crowded as enterprises have switched from offline to online campaigns. Teads differentiates based on model as well as technology. It is an ad tech provider, says Soubeyrand, as well as a video supply-side platform (SSP).

In the digital advertising ecosystem, supply-side platforms cater to publishers, who supply inventory, while on the opposite end of the spectrum demand-side platforms (DSPs) enable advertisers to find real estate for their advertising. "Our goal is to become the leader in the video advertising space on our publishing and on our SSP creation," Soubeyrand says. But the company's primary differentiator, he continues, is in its outStream format.

OutStream is one part of Teads' line of offerings, called inSuite. "Use our outStream formats to generate significant amounts of video inventory without the expense of video editorial," the company says, which defines outStream formats as video advertising setups that don't rely on other video content for inco rporation into a website.

These formats use independent video players, which can be worked into different kinds of content, according to Teads. The different formats are best suited to various kinds of content and help maximize publishers' inventory and by extension, their returns.

Teads' formats include inStream for video, inRead for articles, inBoard for heading up homepages and articles, inFeed for news and social feeds, inPicture for slideshow and diaporama, inFlow for display ahead of content or inserted between pages, inFold for an unfolding footer across pages, inGame for driving revenues from video games and inGate for building paywalls around content.

Soubeyrand says his company's biggest challenge remains ascending to the market leader position in the digital video advertising space. But the signs are good that Teads, which has crossed breakeven into profitability, is on its way to its goal. "We are doing $100 million in Europe, and as you know, doing this kind of revenue in Europe is more complicated than doing it in the U.S. or in Asia," he says.

To move up to the top spot, the company – which has a growth rate of 300% – must establish more offices internationally and roll out new products onto different devices, says Soubeyrand. Right now, the bulk of Teads' turnover comes from the desktop, but he adds the company will debut its formats on mobile next.

In the future, Teads looks to scale up to become a $1 billion company. In March, the company merged with Ebuzzing to become a new venture, and in October the two combined company announced it was rebranding to be called Teads. The new entity is expected to drive more than $100 million in revenues this year. Teads is expanding as the space it work within does as well: online video advertising is forecasted to swell to more than $8 billion next year, according to CapGemini Forrester Research. Dynamic growth internally and externally will provide impetus for a major move: the private businesses will soon become public. Teads aim to cross the Atlantic and list on the NASDAQ in 2015. RH

Teevity

www.teevity.com

Nicolas Fonrose

Cloud Computing

France

No

» When companies began to transfer their operations to the cloud, one huge challenge emerged: how to figure out, and subsequently manage, costs of an extensible infrastructure. Enterprises needed costs grounded and spending data delivered in a meaningful way. Today, cloud cost control and optimization company Teevity endeavors to provide them an answer by way of its SaaS solutions.

Before Teevity, founder and CEO Nicolas Fonrose consulted companies heading to the cloud - primarily to the Amazon Web Services platform. These enterprises adjusting to new cloud infrastructures got more than they bargained for with regards to costs, and needed a way to track how much was being spent.

"These customers weren't spending that much but still it was quite a shock for them, especially for the purchase department, that they were buying resources from a provider without a limit," Fonrose says.

Companies required a way to address the spending sans ceiling as well as a solution that had to be more advanced than an email containing updates on costs. Teevity followed in 2012, built up from a prototype into a SaaS product to enable cost monitoring.

Fonrose and his team elected to bootstrap Teevity. The Toulouse-area company is, at this point, not on the prowl for any venture capital. That decision has been made despite interest from investors, as Fonrose seeks to avoid dilution. Teevity doesn't mind the situation, as the company patiently anticipates a market explosion. In the past two years, Fonrose has seen cloud analytics companies come and go, with some fading because they couldn't last without capitalizing fast on the opportunity.

"We are ready to wait," Fonrose says, though he also says the company may change its approach with regards to funding next year when it looks to speed up its growth rate. Teevity's customers have scaled as the space has matured. In the beginning, the company's clients were spending about $1,000 a month on the cloud; now, that number has jumped to roughly $1,000 per hour for the biggest customers. Upping costs means upping the ante. "The amounts at stake are enormous," says Fonrose.

"If you manage to do a 2 or 3% cost optimization, it's already a lot of money. But we know there is potential for a lot more than 2 or 3%; it's more like 10, 20 to 30% of a very large amount." Teevity's target market: companies using extremely flexible cloud systems, i.e. businesses utilizing AWS, Azure, Google Cloud Platform as well as Open-Stack-based public and private Clouds, according to Fonrose.

He reports that an industry consensus exists gauging the AWS market at $4 billion annually.

Meanwhile, he estimates the opportunity Teevity tackles is between $10 billion and $20 billion yearly, accounting for the enterprises turning to adaptable infrastructures. Plus, adding private cloud into the mix makes that market even larger.

Teevity competes with enterprises such as Portland-based Cloudability, Israel's Cloudyn and Rochester, New York's Cloudchekr. The company attempts to differentiate itself with its unique technology. Last year, Teevity resolved to base its system on Netflix Ice, says Fonrose. Ice is an offering from Netflix Open Source Software (OSS) that "provides a birdseye view of our large and complex cloud landscape from a usage and cost perspective," according to a 2013 post on The Netflix Tech Blog.

Fonrose says he sees Netflix OSS becoming the industry standard. It seems that the platform switch is already paying off; Ice has become a major draw for customers, and Fonrose says most of the company's growth is coming from the Netflix addendum. Why? It's a Netflix product, and Netflix's tech solutions have been proven to hold water, Fonrose continues. And although open source Ice does compete with Teevity, it also fortifies Teevity's platform and helps them sell their solutions - "especially to U.S. companies among which the video streaming company OSS initiative is very famous and respected," according to Fonrose. Teevity will soon run on more than just Ice from Netflix, as well as bolster functionalities it delivers customers with regards to cost depletion, he adds.

Fully 82% of Teevity's business stems from the United States, where the majority of potential rests. European companies are heading rather gradually to the cloud, and the biggest cloud enterprises operate in the U.S., according to Fonrose. In a new space, Teevity is still working on how to translate cloud costs into a customer's language.

On top of what Fonrose calls "classic" challenges – securing capital and boosting customer awareness – is the issue of ambiguity. Clients don't always know how to put their problems into words, which makes solving them trickier. Teevity endeavors to make cloud costs easier to "get" right away by putting them into business metrics for clients. For instance, $100,000 spent on cloud costs by a customer in the banking industry doesn't mean much until Teevity puts it in terms of transactions. But the deciphering process takes time and hard work on the company's end.

With massive growth on the horizon, Teevity is well placed to take advantage of the swelling multibillion cloud analytics industry.

Tespack

www.tespack.com

Mario Aguilera

Clean Tech

Finland

No

» Once upon a time, intrepid explorers would conquer mountains wearing tweed jackets, a deerstalker, and some carefully-placed biscuits. Nowadays, though, not only is the list of great Earthly adventures diminishing, but the number of people willing to take on the challenges has shot up. And with it they bring a plethora of modern accoutrements not even Sir Edmund Hillary would have left home if he'd been born 50 years later.

But as mobile technologies have shot forward, the batteries that power them have not. And there aren't many places imaginable that would be worse to lose power than up a mountain. The average smartphone only has four hours' power in constant use. Finnish startup, Tespack, thinks the answer is sunlight, and wearables. The company, which has offices in Helsinki and New York City, has developed a range of wearable solutions that are integrated with solar panels to power portable devices. The company offers seven different designs in total, and three lightweight batteries - a battery bank, 20k, and 12k.

The solar panels themselves are forged from an IP-secure, elliptical, and bendable material that fits onto the back of each bag. Tespack is also developing semi-transparent (80%), colored, flexible, and organic solar cells and panels it claims will be ready by 2015. As CEO Mario Aguilera explains, the company has little competition within its adventurous niche.

"Tespack currently has few competitors that are offering certain similar solutions on a small scale, however, Tespack does offer much more in terms of experience and the future, our solutions are efficient and with more capacity and structure," he says. "A solar backpack is only a solar backpack, but Tespack Smartpacks apart of offering energy will "In the near future" also offer internet and GPS locating. We don't believe in the luggage concept, we believe in the travelling instruments mentality. Tespack could be a good partner for developing countries where there is sun and no electricity."

The company, which is backed by the Finnish government's TEKES fund, has received glowing reviews from both the adventure community, and the technology industry. "Tespack solar backpacks stand out among other solutions for portable power, can be used by people with no knowledge of electronics," writes Daily Fusion. In fact, such was the long line of Tespack proponents that Biggest Climber in the World, Martin Szwed, chose the brand to take with him on a trek to the Antarctic's highest point. "Tespack has proved to be a reliable source of energy as well as being a safe bet for storing it."

According to a Canalys forecast, 2014 will be the year that wearable devices will become a "key consumer technology." As they rocket in sales, and mobile device penetration creeps ever higher worldwide, the race is on to keep everything running for as long as possible. For some that means that a standard battery life is simply not enough. "All this wearable stuff is constrained by battery technology," says Jawbone CEO Hosain Rahman. "It's not a computing problem."

Tespack, which was founded only last year, has already been putting out figures that back that positivity. By the end of 2014, the company expects to reach a revenue of $9 million, with an EBIT of $2.16 million. Next year that is scheduled to rise to just under $22 million, with an EBIT of $9.5 million. And by 2016, says Tespack, its revenue will reach $63.5 million with an EBIT of just below $30 million.

No wonder Aguilera is in chipper spirits following Tespack's Red Herring success. As sales increase and the good reviews continue to roll in, he hopes that his firm can become a household name in wearable battery technology. "Tespack, as an entity, is working towards an image and identity. We want to be recognized as the brand for energy," he says. "When you think Mobile phones you think Nokia, Samsung, Apple, but when someone asks about energy on the go, there is nothing really, but now little by little we are taking the Finnish market."

"However we are not only targeting the consumer sector but also industrial," adds Aguilera. "We have started with Smartpacks because that gives us the consumer image of green energy, but we are also working on the industrial side with our new lamination technology and deals." For its users, the sky is often their limit. But for Tespack's staff, the company is soaring beyond even their own expectations. RH

The Institution

www.revivaldm.com

Henrik Wiren

Mobile

Sweden

No

» As mobile devices have become more and more popular, employees' desires to use their own devices for professional purposes have grown. Workers are turning to technology such as tablets and smartphones to access company information. And while this trend can help companies cut down on costs – after all, businesses are no longer buying phones for all their employees – it can also lead to confusion and anxiety over security. Though the device belongs to the user, sometimes the data does not, and managing how and where that information flows can cause company IT departments major headaches.

The Institution helps customers embrace mobility by delivering mobile device management (MDM) solutions in a dynamic ecosystem. "Bring-your-own-device is one of the trends that [is] fuelling the MDM business, or enterprise mobility management business, but the larger overall trend is that users and enterprises get more and more advanced every day in their use of mobile devices," says The Institution CEO Henrik Wirén.

Mobile device management is one subset of a larger movement, which The Institution serves, driven by evermore sophisticated demands on an increasing number of devices in the market.

Mobile users prioritize security and usability in an MDM solution. The Institution delivers with REVIVAL – a simple-to-use, flexible, secure mobile management suite created to scale with integration in mind that spans the total functionality set for MDM. According to The Institution, the company ranks first with regards to mobile device management players in the Nordic market.

Industry research puts the worldwide mobile device management market growing to nearly $4 billion by 2019, and gauges that same market at about $1 billion in 2013. The Institution, based in Stockholm, boasts 300 customers and taps about 300,000 end users. In terms of size, the company serves a wide range of enterprises. Its smallest client counts 20 registered users, while its biggest has more than 500 times that number of people utilizing The Institution's service, says the company. Wirén says mobile device management appeals to businesses across sectors, from railroad companies to lawyers. "The market in that sense is every enterprise in the world," he says. "Everyone with an employee needs to secure their devices."

The company came to be after The Institution's founders received the same request from a variety of angles. People sought to renovate the devices they carried in their pockets or drove with in their cars, he continues. The company addresses those unmet needs through mobile device management delivered by way of a subscription model. With regards to funding, the company has raised more than $3 million from its directors and founders, according to Wirén. The Institution, founded in 2006, has already crossed into profitability, meaning whatever's left under the bottom line goes back into expanding the business.

The developing market around mobile device management has not stayed free of competitors - rather, the opposite has occurred. The space has become so crowded that Wirén estimates The Institution faces 50 challengers worldwide, and calls visibility its primary obstacle. "I think the product we have works, it's just a question of getting noticed enough so that you attract the right customers," he says.

One edge The Institution has over its competitors has to do with the Nordic market it operates in. Along with Hong Kong and Singapore, Wirén says, the Nordics lay claim to the most advanced mobile users in the world. The population accept nothing less than excellence in their solutions, which has spurred The Institution to innovate or die, as the market puts a kibosh on what isn't cutting edge, Wirén continues.

Over the past five years, The Institution's subscription rate has achieved a CAGR of 79%. The company seeks to increase both revenues and its user base by 34 fold in the next five years. Currently it concentrates primarily on Europe; more specifically, Wirén has his sights set on Germany and Spain.

But perhaps most crucial to The Institution's future growth is the diffusion and creation of new connected devices in need of management. Right now, Wirén says, MDM is restricted to your smartphone and tablet, but in the future solutions will cater to laptops and more objects that offer web connections. And though The Institution's ties to the burgeoning Internet of Things industry haven't yet solidified, in five years the company could protect device-connected smart watches. The market holds innumerable possibilities as people increasingly connect their lives with the web.

ThetaRay

www.thetaray.com

Mark Gazit

Security

Israel

Yes

» Financial and giant industries alike have always been at the mercy of hackers. The implications have been and still are enormous. Many companies are still utilising technology that was never designed to function effectively in an online world, and now have to adapt quickly or risk system downtime and loss of data.

It is estimated that around 70% of organizations with critical infrastructure believe the cyber threat to their companies to be high or critical, with four out of 10 admitting to having been compromised.

Solutions exist, but the problem with these traditional rule-based countermeasures is that when a hacker knows the rules, they can establish a way of bending or breaking them to execute a potentially devastating attack on the system. It can be months before anyone recognizes the breach, if they ever do so at all.

That is why Israeli tech company ThetaRay supplies a solution that is mathematical at its core. It does not rely on any rules or patterns, but rather on its Big Data anomaly detection algorithms.

These algorithms were born out of years of research by the company's founders, Professor Roland Coifman of Yale University and professor Amir Averbuch of Tel Aviv University.

Not only does the solution mean events are automatically detected (as opposed to manually), it can also be utilised onsite or in the cloud, which is particularly useful when considering the advent of the Internet of Things.

The company, which was founded in 2012, has already picked up a number of large clients, including GE and Israeli Bank Hapoalim, and has just closed a successful $10 million round of investment. And the ambition to make the company a force to be reckoned with is clear, asserts ThetaRay CEO Mark Gazit.

"We are very committed to become the next billion dollar company in cyber security," he states. "When you consider the entire size of the internet and billions of devices, we are looking at the Internet of Things. This has brought about the rise of many companies trying to do what we are doing, but we have a 10 year head start."

That decade of experience has led to ThetaRay's Hyper-dimensional Big Data Analytics™ solution, which protects against unknown zero-day threats and APT attacks that target critical infrastructure and mission critical systems or applications.

And it is very much about the data; Big Data allows a complete "3D" picture of the security situation at any given moment.

Gazit believes one of the company's biggest selling points is its ability to minimise false alerts."I think it is one of the most important ingredients of the company because we do have such a huge amount of data, you might expect using traditional methods the more data you have the more false alarms, but in our case it's the opposite," he says.

"We can see it in three dimensions - that's why the more data we have the number of false reports is lower."

And customers certainly seem happy with the results. "We are continually impressed by ThetaRay's ability to not only come up with breakthrough ideas, but to develop them into products that can bring real-world value to customers," says Brett May, head of venture capital and business development at GE Software.

"The company's unique security analytics, developed over 10 years of innovative academic research, have the potential to change the face of intrusion detection as we know it today."

Investors also see the huge potential in the way ThetaRay has packaged its cyber security solution. Yoav Tzruya, partner, JVP Cyber Labs, the company's founding investor, asserts that "ever since ThetaRay's inception, JVP has believed in the tremendous inherent potential of both the company's technology and its strong team".

"Over the last 12 months, we've seen an overwhelming demand for implementing the company's platform in a variety of use-cases. This demand, along with the field results and the over-subscribed round, are evidence of the great business opportunity encapsulated in the company's offering and its ability to lead the category."

The company currently employs 20 people but the expansion drive is in full flow, with that figure expected to double in the next 12 months.

With glowing references and a solution born out of "an academic foundation", it's clear why Gazit is very confident in the future success of the company. RH

Tikle

apps.tikle.com

Burak Kir

Telecommunications

Turkey

No

» Failure can be fruitful. And failure often abounds in new industries. For Tikle, the lessons learned from failure have led to it establishing itself as a cutting edge application and services provider for mobile information and entertainment solutions in Turkey.

When the company launched in 1999, it focused on MMS. CTO Baris Guzelrodu recalls one of the first jobs being to paint red balls into messages, as they weren't clear in the picture. "Coming from those years to now where everyone is using mobile phones and the smartphone penetration is unbelievable, it's really a huge market in the world," he says.

"For Turkey as an emerging country, we didn't have any competitors in the first years, but we now have real competitors and we love the competition."

Being first to market has given the company plenty of time to become an established name, but it also had to deal with being a pioneer in Turkey, which meant a steep learning curve. "We already have a lot of experience failing - the project failing the companies," Guzelrodu explains. "So we set up a partner network and we support entrepreneurs in this network as we like to be a bigger company."

Tikle has focused on investing in several projects, two of which failed, but the company is now working with four enterprises, with which they work on tenders for mobile application projects. The company works with content providers rather than with software companies. The content providers publishing their content

over the Tikle platform are given analysis tools that break down who is interacting with the app.

There are also lots of infotainment and value added services available, used by Turkcell, Vodafone and Avea, which generate money for the company. And Tikle is currently developing a tool that analyzes consumer sentiment through comments on social media and then delivers the findings to the client. "We are still developing this and we have spent four months looking at natural language processing for Turkish and will spend six months more on this and then plan production," says Guzelrodu.

The model of distribution for the feedback will depend on the amount of data gathered, so the strategy for marketing this added service has yet to be finalized. For a company that began in 1999, 20% growth in 2013 with 35% predicted for 2014 is impressive.

Part of the success is due to the fact that there is a chairman and no other partner, so "when we need to make a decision, there is only one person we have to convince, which is much easier," Guzelrodu asserts.

Part of that decision-making process will determine where the company heads next and what type of service it will provide. There is a desire to enter the cybersecurity space, and the company is already talking with Turkey's defense ministry. "Cybersecurity is one of the huge markets, not only in Turkey, but globally, so we are looking into that with a budget of almost $4 million," Guzelrodu says.

One of Tikle's partners is in the cyber security space and the company is performing penetration tests, resulting in a leap in quality each year. "We are implementing lots of rules and regulations and we will put all our common security libraries into our apps," Guzelrodu states.

The company has an eye on the market in Brazil and there is opportunity with any operator in other countries, he adds. But there is no concrete plan as of yet and the company currently operates out of its office in Turkey, catering to its 49 employees. And before any oversees expansion is seriously considered, there are complications to tackle on the home front first.

Guzelrodu reveals that due to the nature of the work there are a number of sensitive touch points with users and any complaints or issues come back to Tikle rather than the operator. "There is a lot of regulation; if you want to make a new service you should deeply examine the regulation side," he explains.

"You are trying to deal with operators, their permissions, their customer base, restrictions, and progress is therefore our first challenge."

But legislation aside, a belief in supporting entrepreneurs and adding them to the company's partner network should ensure that Tikle is not only a force to be reckoned with in Turkey, but potentially in other markets across the world as well. RH

Translate Media

www.translatemedia.com

Patrick Eve

Professional Services

United Kingdom

No

» Software that accurately translates one language into another has been the dream of computer scientists for decades. But anyone who has used Google Translate will tell you, human beings are still better than machines at capturing the nuances of language.

Until technology catches up, the private and public sector will still need the services of firms like TranslateMedia. Founded in the U.K. in 2004 by Rupert Evans and Patrick Eve, TranslateMedia has a global presence with offices in Paris, New York, Hong Kong, and Austin, Texas. In 2013, it recorded revenues of just under $15 million and is projecting to reach $25 million in the next three years.

The firm focuses its efforts on the advertising industry, offering not just translation, but also so-called 'transcreation' services. This refers to the process of adapting a client's advertising message for another language, ensuring the translation captures the right tone and context for a targeted overseas market. While TranslateMedia has no patents on the technology, the firm does use specialized software called STREAM to optimize its workflow and create efficiencies, such as collecting past translations of common word combinations that it can re-use.

"We provide each client, as a point of contact, a high-skilled project manager who manages the client's projects. This distinct blend of state of the art technology and client service means that few agencies out there, to date, have the tools to rival TranslateMedia," says Patrick Eve, Managing Director of the firm.

According to Eve, the translation market is worth up to $33.5 billion and is dominated by a few large companies such as SDL, Lionbridge, and Welocalize. Alongside these major players is a cottage industry of tens of thousands of freelance translators and small firms that usually work on a project-by-project basis.

Translation agencies that rely on linguists, such as TranslateMedia, face the difficulty of achieving economies of scale. Workflow efficiencies can only lower fixed costs so much, and these agencies still need to pay for more human translators when demand increases. One of the biggest risks Eve can see for the firm is balancing rising demand for quality and speed of translations with an increasingly price sensitive customer.

Another threat is the constant technological advances in machine translation. In May of this year, Microsoft announced a breakthrough in its real-time voice translator, which has been in development for over 10 years. The product will be incorporated into its online communication tool Skype before the end of 2014, Microsoft recently announced.

To keep playing the role of market disruptor, TranslateMedia will need to think strategically. The firm has raised half a million dollars to fund acquisitions and global expansion in the coming years. Whether TranslateMedia can grow market share with some smart acquisitions remains to be seen, but for the time being, demand for its product will remain as online media opens up overseas markets to an increasing number of advertisers. RH

Unicheck

www.unichecksrl.com

Mario Gozzetti

Marketing/Advertising/SOE

Italy

No

» The saying goes that you get what you pay for, but if you're buying counterfeit goods, that's not necessarily true. Unfortunately for retailers, it's a market which is thriving.

A cheap Louis Vuitton handbag with a misspelled company logo is easily spotted, but professional counterfeiters are often far more subtle. This isn't just costing manufacturers money, it's also alarming consumers.

Tackling these issues is where Unicheck, a division of Polyhedra Group, is looking to make its mark, with its global platform for track & trace, anti-counterfeiting and one-to-one customer communication, SEiD.

The company owns a global databank that generates and manages random and non-repeatable codes which can be connected and associated to one another, allowing the unique identification of each individual product.

These codes can contain virtually any information and allows the manufacturer, distributor or retailers to either raise a real time query on a product or even communicate with a customer. The added bonus: it's all done through a user-friendly app or website, explains Unicheck CEO Mario Gozetti.

While the company officially commenced trading last year, the software development had been in progress for nearly a year before that. But the technology is only half the battle when trying to launch a new company.

Gozetti explains that when initially presenting the concept "everybody is very interested", but he quickly adds "it takes a lot of time to have a client to adopt it as a system, because you don't see direct revenues even if you have a decrease in loss of sales because you are fighting counterfeit goods."

Something that surprises the CEO is certain companies who acknowledge behind closed doors there is a real problem with counterfeiting, but "do not want to give customers the impression that we may have counterfeit problems in the market".

Going forward, it is therefore vital that Unicheck helps educate not only the consumer, but also retailers and manufacturers, on the importance of product identity. Should the company succeed, the market potential is huge. Gozetti points out that it's everything "from shoes to cans of beans."

With growing interest and concern over food authenticity, especially in terms of origin, the food and beverage sector is of obvious interest to Unicheck. Then there is the issue of faulty or counterfeit toys that end up in a child's bedroom. A solution to this problem will always create interest among concerned parents. And the company believes that once it has established its name through targeting mainly small- or medium-sized clients and offering added value to them and their customers, Unicheck will be able to talk with the larger entities.

It is clearly early days for Unicheck, but the company is gaining ground in its native Italy and already has a U.K. office. Brazil is also proving lucrative and the long term goal is conquering Europe and South America.

And the message about why it should be Unicheck is simple. "It is easy to use, easy to adopt and low cost, so it makes the system accessible for everyone, even the small artisan business," Gozetti explains. So the focus is very much on brand awareness while ensuring the company's technology can adapt to the varying systems of manufacturers, companies and distributors.

Gozetti likens the issue to having different plug sockets in different countries – Unicheck is seeking its universal adaptor. The company is already well on its way to producing a standard label in order to facilitate that and is also exploring the possibility of producing a coded taper; a reel that can be used by other label companies.

Currently financed by other companies within its group, the first financial step is to become self-sufficient. Once that is achieved, expansion options will depend on potential partners and the success of the branding campaign.

Either way, it would seem that with its advanced technology and ease of use, Unicheck is indeed the genuine article. RH

Valopaa

www.valopaa.com

Toivo Vilmi

Clean Tech

Finland

Yes

» Toivo Vilmi is something of a veteran among the tech pros in Oulu, Finland's 'living lab'. He has over two decades of history working for the marquee brand, and is one of the region's well-known angel investors. Perhaps it's partly why Vilmi's latest venture, Valopaa, has been performing so well in the high-tech lighting sphere, where it has become a leader in the development of LED luminaires that have already found their way into public spaces across northern Europe.

Right now, according to Statista, LED accounts for 11% of the global lighting market. By 2020, that figure will have leapt to 61%. McKinsey goes a little further: "Faster LED price erosion has raised forecasts for LED penetration in many of the segments - office, shop, and hospitality, for example, while decreasing the size of the lighting market overall in general. Forecasts for LED uptake in the residential segment remain high as almost 50% in 2016 and over 70% in 2020." Whether you're inclined to trust one or the other, one truism remains: LED is on the up, and at a fast pace too.

Valopaa, which also has offices in the Finnish capital Helsinki, produces the luminaires as well as intelligent lighting control and lighting technologies, which are energy efficient and ecologically sustainable. Valopaa's lighting solutions have been installed all over the world in a wide variety of facilities, including sports stadia, roads, bridges, and gas stations. The company manufactures its products largely itself, alongside partners in the mobile and base station industries.

To continue leading the way in lighting, Valopaa has teamed up with several regional academic institutions to push new frontiers. Some include Aalto University and the University of Oulu. Valopaa is also a member of the EU's Enlight Project, which aims to reduce energy consumption by 40% comparative to today's LED systems. The company's very name derives from the Finnish word valopää, meaning someone who is creative, innovative, and ready to take on new challenges.

Vilmi claims that one of the company's USPs is its commitment to a diverse product portfolio and a willingness to reach out in its research and development process: "Our main advantage is our modular product platform with wireless IoT (Internet of Things) technology and cloud management capability. Intelligent light control typically cuts energy consumption in half compared to similar lighting without control. Our intelligent lighting can also be installed to existing cabling and it can control luminaires from other manufactures.

"We have world-class technological know-how (senior level professionals in RF, optics, mechanics, software, design) and mass customization production based in Finland," adds Vilmi. "For customers this means flexibility, quick adaptation of new features, and product quality. Main competitors are big players like Philips, Osram, Thorn, and iGuzzini – who we cannot compete with in size, but we are doing things differently from."

Last January, Valopaa received a $2.7 million seed round injection from compatriot investor VNT Management, which is based in Vaasa and specializes in energy company investment. The company's operative management are also shareholders. "We were ranked 101 at the Deloitte Technology Fast 500 EMEA List last year (growth 1,516 % in five years)," says Vilmi. "Our target is to double turnover annually, reaching $81 million in 2018."

But what excites Vilmi above all, is the ability to push technology to its limits with a highly skilled team. And with that, fortunately, has come some weighty business success. "For me it is important that I am in a meaningful business," he says. "I am using my time well and our product concept is very environmentally friendly. Our products have a very long life time, we select the most energy efficient solutions, all products are repairable, products are future proof with over the air software capability, and products are pollution free, and recyclable." RH

VeliQ

www.veliq.com

Ron van Bijsterveld

Cloud Computing

Netherlands

Yes

» Today, probably the most significant evolutionary milestone in technology, the birth of the smartphone, has prompted the mass migration of consumers away from desktop computers and onto their mobile devices.

As smartphones and tablets become an essential personal item, firms now have to deal with employees using their own devices in the office. The days of the company issued Blackberry are almost over and Alex Bausch, the founder of Dutch firm VeliQ BV, has positioned his company to take advantage of this secular shift.

VeliQ's main product is a platform called MobiDM, which lets companies manage their employees' mobile devices while also providing cloud services. Unlike competitors such as Air Watch, VeliQ offers its software as a paid subscription.

"The generation today wants to use the same device at work that they are using at home. Plus there is a trend towards 'appification'. Rather than buying big software packages, users want to connect to service as they need them," says Bausch.

Another way VeliQ differentiates itself is by targeting mid-tier companies instead of the world's largest corporations. By being competitive on price and focusing on ease of use, Bausch hopes to dominate a market often overlooked by other mobile enterprise software providers.

But the software-as-a-service model, also known as SaaS, has its drawbacks when it comes to company valuation. According to Bausch, since VeliQ accounts for its sales as software leasing, it cannot book the full value of contracts up front. This weakens the balance sheet to the extent that the firm has found it difficult to find European banks willing to work with it.

To date, VeliQ has raised €2.5 million in 2011, plus another €8 to 10 million last summer in seed funding from the Danish venture capital outfit Northcap. It is going through a new round of funding during which Bausch hopes to raise about €20 million. But the firm's current strategy is to expand its presence in the U.S. through its Boston office.

"The major challenge we face is the fact that we are in the wrong country. Seed funding in Europe is too fragmented, and if you really want to grow, you should in the U.S. There you have one large and very sophisticated home market, there is more competition but also a way to grow fast," explains Bausch.

If VeliQ can continue its international expansion, the company could have access to over 197,000 medium-sized U.S. firms, which account for one third of the private sector GDP.

Videantis

www.videantis.com

Hans-Joachim Stolberg

Hardware

Germany

No

» Sometimes ideas, innovations, organizations and businesses can take a long time to really flourish. Often when this happens, they burn twice as brightly. Videantis, a computer vision and video coding IP solution provider, has recently celebrated its 10 year anniversary, and is now seeing the most exciting uses of its technology yet.

Videantis designs chips for two main functions. One is for video compression and decompression, which is used every time a movie is watched on Netflix or any other media player. In the last couple of years, the company has focused more on computer vision, which means using a camera to allow a device to 'see'. The company has designed a very small and efficient processor to do just that, and the technology can be used in as diverse fields as gesture controls or driverless cars.

"It's hard to believe it's already been ten years since we incorporated our company," says CEO Hans-Joachim Stolberg. "The foundation has actually been laid in the 1990s at the Leibniz Universität here in Hannover, when we started developing the first generation of our efficient, low-power video processing architecture. We spun out and incorporated in 2004 when we had our first silicon proof and signed up our first customer."

Videantis uses ARM as an example of how it can succeed. ARM produces microprocessor technology, and as many as three ARM-powered chips are found in any typical smartphone device. "The semiconductor IP market that we target is roughly a $5 billion market. For video related, it is definitely a $100m plus market. We'd like to be the ARM of this space, that would be our target," says Marco Jacobs, VP Marketing, Videantis.

The camera side of the company's offering is set to increase rapidly in the future, with cameras being installed almost anywhere. "I think you can have cameras everywhere. In medical, there are already pills with cameras inside that you can swallow. Tesla has announced it wants a ring of cameras around the car. Your mobile phone will have a big camera array on the back. The opportunity is huge."

Similarly, the gradual introduction of technology-assisted driving will produce a huge market for Videantis. Google has long studied the driverless car and seems intent on producing one in the near future. Other car companies such as Volvo are also working on the idea, and in the meantime, many cars already offer features such as camera-assisted parking.

The semi-conductor market can be competitive, but is driven by three main factors – power consumption, performance and price. These are the three areas where Videantis has concentrated on beating its competitors. Semi-conductors are priced by the square millimeter so making them small as possible brings down the price. "We have to always beat our competition with showing the functionality and then also the price, the energy consumption and the performance," says Jacobs.

Videantis licenses its design to manufacturers and is typically paid an upfront licensing fee, and then royalties when the product which is using the design goes into production. Last year the company had a round of investment which was from government funding rather than VCs. Videantis is not currently looking for funding as it has a steady, recurring revenue from the products which have already shipped with its design in them.

The company's goals for the future mainly revolve around steady expansion. "We want to grow according to our plan - that is to grow quickly. But with our current technology we are always improving, but we don't have a huge new product launch planned, so we just want to grow," says Jacobs. RH

Visions Connected

www.visionsconnected.com

Raymond Alves

Telecommunications

Netherlands

Yes

» High-quality video communication was once the dream of science fiction writers, but advances in technology have made it a reality in both the home and the workplace of today.

One company pushing this evolution in how we communicate is Netherlands-based Visions Connected, a company that started life in the research and development department of KPN, the Dutch national telecommunications company.

Instead of building the hardware itself, Visions Connected founder and CEO, Raymond Alves, decided to provide video conferencing as a service. This meant managing the multiple layers of Internet protocols, the digital rules for data exchange between computers, in order to deliver seamless and secure video communication over the Internet.

According to Alves, Visions Connected's service differentiates itself from competitors by the firm's commitment to ease of use, data security, and customer care.

"We build the service ourselves to make sure that it is very secure and put an awful lot of effort into the reliability of our services. We care about the customers enormously and try to make sure that the customer is always ok with what we have," he says.

Before starting Visions Connected in 2007, Alves was working at KPN where he saw the potential of the video conferencing technology being developed. After KPN passed on his idea to create a new brand for these products, Alves stepped down and decided to do it himself.

The Dutch police force became one of Visions Connected's first major customers after they tendered a contract for a system to record their interrogations. In 2010, Visions Connected was selected as a partner to deliver this service, which now stretches through all 26 local police forces in the country. The firm received initial funding from a local investor Start Green Venture Capital but is now on the look-out for new investors to fuel its international expansion.

Worldwide, companies spent $2.26 billion in 2013 on videoconferencing equipment and services, according to an International Data Corporation (IDC) report. The market is dominated by the U.S. multinational Cisco, which by the end of 2013 held a 44.3% share, but it is also highly competitive as new technology spurs disruptor firms to join the fray.

Last year, Visions Connected recorded revenues of over $10 million, but the leap to a global scale is one of the company's biggest challenges today. Its geographical focus in the low-lying Netherlands also presents a curious threat for a modern technology company.

"The biggest risk we have is that our servers will be flooded by water. That's why we have started building different servers in different geographic areas," explains Alves.

Another danger facing the company is the fast pace of change in both technology and consumer habits. In February of this year, Google released a $999 video conferencing system called the 'Chromebox for meetings', while social media application SnapChat recently added a built-in video calling feature. With such a fast changing industry, Alves will have to work hard to anticipate where the market is going and make sure that Visions Connected is growing in the right direction. RH

Vivocha

www.vivocha.com

Gianluca Ferranti

Cloud Computing

Italy

Yes

» Customer retention is one of the toughest and most important parts of business. For any company, customer service is an integral part of keeping clients happy and loyal. In today's Internet age, the number of ways a company can interact with a customer has increased dramatically, meaning newer and more agile customer interaction solutions are the necessary minimum.

One company providing such a solution is Vivocha. The Italian firm was founded in 2012, although the founders were formulating the idea for around a year prior to the company being officially launched. "Before we decided to incorporate, we spent six months in San Francisco to see what feedback we were getting from people there and talking to potential business partners," says Gianluca Ferranti, co-founder and CEO of Vivocha. "We received positive feedback so we decided to officially launch the company. We incorporated at the end of May 2012."

Vivocha focuses on real-time, online channels of communication only. These include video, voice and chat. The company's technology is licensed out to its clients, and they deal with their customers using their own employees but Vivocha's software.

There is a great need for this type of software that makes it easier for companies to satisfy customers. Research by Forrester in June showed that 67% of online consumers in the U.S. have had unsatisfactory service interactions over the past 12 months. Kate Leggett, an analyst for Forrester, wrote in her blog that the needs of customers are clear. "Forrester data shows that valuing a customer's time is the most important factor in good customer service. Customers simply want an accurate, relevant, and complete answer to their question upon first contact, so they can get back to what they were doing before the issue arose," she wrote.

The company was founded after raising 1.5 million euro from two Italian venture capital firms and began with just nine people. Now, Vivocha employs 14 people and has branched out from selling its technology solely to the domestic market and has an international reach. Vivocha is now looking to raise a Series A round to continue that expansion. "We are now starting to approach the VC community to raise our Series A," says Ferranti. "This money will fund the international expansion. All we have done so far is with a minimal sales team. Less than 20% of our costs have been spent on sales and marketing."

Ferranti explains that the company is looking internationally for investors and is speaking mainly to European based VCs. He hopes the new round will put them in touch with potential international partners.

The company has been performing well in its early stages and has experienced impressive growth. "We have a pure SaaS model so 90% of our revenue is from subscription fees. In April we reached $100,000 revenue for the month. We are growing at a pace of 15-20% revenue increase quarter over quarter at the moment. We expect to close the year at $1.6/1.7m in revenue," says Ferranti.

In a market that is growing, Vivocha is well placed. Any older companies not willing to move forward will quickly be left behind in the CRM sector, as it is changing rapidly. A company like Vivocha can legitimately claim to be well ahead of the curve. "If I look at the overall CRM market, there is a lot of competition. We think the online space is opening a new age for customer service and we think this technology is the next generation for this market," Ferranti concludes. RH

Webforum Europe

www.webforum.com

Albert Huth

Software

Sweden

No

» The collaboration space has attracted significant attention recently, mostly down to the big moves major players have been making with regards to funding and IPOs.

Box, which caters to enterprises and offers file sharing capabilities and more, picked up $100 million in funding last December at a $2 billion valuation, then began its journey this March to a $250 million public debut. Meanwhile, collaboration incumbent Dropbox secured a mammoth $350 million funding round. The capital behind these companies validates their offering and the burgeoning market they inhabit.

According to industry data, the enterprise social networks and collaboration space will swell to a $4.5 billion opportunity by 2016. Money and a spotlight draw a crowd, but features and a model can help a company rise above the noise, which has happened with Stockholm-based Webforum AB.

The company leverages a web service that enables enterprises to work together and on projects weighed down with documents as well as other team endeavors. "We're getting a stronger and stronger reputation as a one of the very few, or the only [player] that is the combination of a SaaS vendor and having high security, and all [this] functionality," says the company's CEO, Albert Huth.

That reputation has drawn the former chief executive of Webforum's main competitor, which is 20 times Webforum's size, to join the company's board.

Right now, Webforum concentrates on its home market, Sweden, and the country's Nordic neighbor, Finland. The company serves upwards of 700 customers, hitting more than 50,000 end users across over 20 countries. Huth says the opportunity Webforum tackles is huge, as its software could be put to use in all medium- and large-sized companies and organizations.

Huth himself likes Dropbox's product, but notes the company can't compete with Webforum on security. He notes that customers use Webforum's service in boardrooms, which often harbor the most sensitive information a company can offer. Though they recognize Dropbox's platform is easy to use, boardrooms understand its limitations regarding security; this awareness provides one of the main motivations for clients to switch to Webforum, continues Huth.

Differentiation also comes in the form of functionality. Two-step authentication, plus a viewer that disallows the downloading of files but is capable of displaying almost any type of file, help protect enterprises. Other capabilities the company's primary challenger can't deliver include business intelligence tools, time reporting and resource management.

Webforum is a "much better communication system", says a representative of a large transportation organization in Sweden. "It goes much faster to work with documents and we have this improved security that we didn't have before. We feel much safer with Webforum than we did before."

The profitable company has had a long run in business, as it was founded in 1998. At that time, Huth says, it resembled a consulting company with a small team. The company was started under the name MCIT AB at the Stockholm Technology Park (Teknikhöjden), an incubator for new businesses.

Initially, company activities were focused on IT applications for the engineering sector. Huth says later in the company's history, its vision switched towards the collaboration industry.

Previously, Webforum had engaged with a media fund in exchanging stocks for low cost advertising. That fund, which owned 10% of the company, was purchased by a VC fund, making Webforum one of its portfolio ventures.

The leftover nine tenths of Webforum is privately held. Huth says the company has never raised a big round and isn't looking to now, though the VC firm with one tenth of Webforum has offered to provide capital. With that proposition, Huth says the company thought hypothetically about what to do with additional funding – marketing and potential acquisitions came to mind.

Obstacles ahead for Webforum have to do with growing fast. Huth says the company is still small, with resources to match its size. "What our main focus is, is to expand," he says. Visibility also presents a challenge, though the differentiators Webforum offers will ensure it stands out.

Webforum seeks in the next three years to quadruple turnover. Five to 10 years down the line, Huth sees the company potentially drive €20 million ($27 million) in turnover, up from €1.3 million ($1.76 million) in 2013. Striking the right strategy with regards to hiring the correct people, marketing effectively and product development will help the company get where it wants to go, he says. RH

Weroom

www.weroom.com

Thomas Villeneuve

Internet/Online

France

No

» The rental market has been affected strongly by recent technology breakthroughs, and none have made such an impact as Airbnb, which has grown into a $10 billion business. That buzz has created excitement around similar companies, such as Weroom, which although different, seeks to disrupt the real estate market in the same way. CEO Thomas Villeneuve founded the company in Paris after a friend of his struggled to find an apartment.

"It all comes from personal experience, it's hard to find a flatshare wherever you go, let alone find people to live with that you get along with. We want to make the experience fluid, simple, and comprehensive," says Villeneuve.

With these goals, he established Weroom in June 2012, a site that resembles a social network that is part dating service and part real estate broker. New users fill out a short profile detailing whether they smoke, are vegetarian, or like pets, then Weroom matches them with apartments in their European city of choice.

The firm is developing a 'freemium' revenue model where renters can search and landlords advertise rooms on the site without paying. But for a fee, they will be able to access the Weroom+ service and receive tailored support from the company.

Weroom also plans to add e-commerce capabilities, letting users make payments through the website as well as manage lease transactions. Villeneuve estimates this will bring in €5 million by 2015. His ambition has already caught the eye of corporate investors, and last year, the company raised $5 million in series A round of funding from Nexity, a French real estate firm.

While Airbnb feels more like a professional letting service, Weroom puts focuses on pairing the right person with the right apartment. Its users are mainly young and mobile students or professionals who are looking for affordable housing in Europe's great cities. According to Villeneuve, there are up to 15 million such people in Europe alone, where the rental market is worth up to $50 billion and $3.5 billion is spent each year on search fees.

However, the market for Weroom's services is highly competitive. By creating a social network designed for apartment sharing, the company faces competition both from websites like Facebook as well as from established listing services like Easyroomate and Spareroom. Villeneuve hopes to differentiate Weroom by targeting the young jetsetters who move from city to city around the world.

"We really understand the need for one unique global solution, accommodating our users throughout their customer lifecycle, wherever they go," he says.

Weroom still has a long way to go if it wants to rival AirBnb's global footprint. International expansion is one of the biggest risks it faces. Next year, the company plans to launch in London and then Berlin. The government could also be a problem. As AirBnb is now finding out in the U.S., changes in the laws regulating apartment lettings could effectively shut down sites like Weroom.

Another potential threat is the difficulty of vetting the references of tenants and landlords. If Weroom is unable to keep out the bad apples, the whole system based on mutual trust could quickly break down and threaten the reputation of the service.

Despite these issues, a service like Weroom has the potential to gain a large slice of the residential rental market. As AirBnB has shown, it is possible to make real money in the so-called 'sharing economy'. RH

Withings

www.withings.com

Cédric Hutchings

Consumer Electronics

France

Yes

» The personal healthcare technology market is particularly hot right now. Major smartphone manufacturers like Samsung have taken note; the Korean behemoth's latest Galaxy phone, the S5, came with health apps and a heart rate sensor. Though Nike recently revealed it would step back from its FuelBand business, other companies like Jawbone and Fitbit have generated a lot of attention in the space. Slowly, an entire industry has been built up around the principle of consumers taking health into their own hands.

Now all this massive potential audience needs is a technological upgrade from pedometers and calorie-counting apps. Withings delivers both niche adopters and mainstream users sophisticated technology in the connected health and consumer electronics industries. Already a worldwide presence, the company monetizes by selling its devices as well as data analysis.

The company produces devices for four health verticals: weight, activity, sleep and heart, but Withings' first product to market was a connected scale. "The very simple vision [was] that we turn a quite dumb device that just takes a measurement but forgets it right away, into a coaching device that will grasp your weight trend without having you do anything additional to your normal routine," says Withings CEO Cedric Hutchings.

More technology has followed that pursues the same philosophy – Withings' products aim to help consumers keep track of their health and self in a way that doesn't disrupt the way they live their lives.

"They came in saying there have been a few tentative [attempts] of putting on the market connected objects with the view of saying this is going be a platform… with people able to build up their own applications," says Jean Bourcereau, general partner at Ventech, an investor in Withings.

"Our view is that we should do the opposite, [and offer] a full experience … taking an object that everybody's using, that everybody knows how to use, but knowing that being connected to the Internet brings some extra features or some simplicity in it."

Its products include smart scales (the most recent iteration of which is capable of tracking the heart rates of individuals getting weighed), blood pressure monitors, sleep systems and activity trackers. The company also recently debuted an updated wearable device, the Pulse O2, which can gauge an individual's blood oxygen level, a capability Hutchings calls unmatched. The CEO also stresses the importance of device design, saying these kinds of products will proliferate in part because they are cool and sexy, rather than resembling hospital equipment.

Parisian-based Withings has raised about $34 million in total. The company counts BpiFrance, Idinvest Partners, 360 Capital Partners and Ventech as investors. Withings got its start in 2008 after Hutchings and cofounder Eric Careel had been working in the telecom industry, concentrating on customer-premises equipment, says Hutchings. They saw that connectivity would change the way people relate to devices and dove into the space around consumer electronics.

Competition is more likely to come from leftfield challengers than legacy vendors, says Hutchings. These companies eagerly anticipate a future where connectivity spans everyday objects. "Most of our competitors are with this Internet of Things, connected DNA, and where we differentiate our self is really by innovation," says Hutchings. The market, he continues, is still largely driven by innovation.

Hutchings says the competition in the ecosystem is heating up. Ensuring Withings rises to the top and stays there will take money, marketing and a continued emphasis on research and development to keep on the cutting edge. The company has built up a wide audience for itself in Europe and the U.S. - nearly half of Withings business comes from America, Hutchings reports - so now it will concentrate investments in Asia, specifically Japan.

In many geographies worldwide, healthcare systems are in need of major overhauls. Information is power, and Withings' products can help consumers get their health back in their control with devices that work in familiar ways but deliver new insights. RH

XbyMe Global

www.free2give.com

James Robins

Marketing/Advertising/SOE

United Kingdom

No

» The importance of driving traffic and standing out from the crowd is paramount to any online business. With the saturation of digital marketers offering their services to brands looking to gain online visibility, achieving such a goal is no easy task.

But combine digital marketing with generosity in the 'giving industry', and U.K.-based XbyMe Global has an untapped niche with tremendous potential. The company provides a platform for brands which can then enable their consumers to be 'Free2Give', which is the name of the flagship product. When brands interact with their consumers, users are given the option to click on a small bird icon named Nzo. This automatically makes a donation to a particular cause for free. For the consumer, giving is easy and costless. For the brand, each click sends the consumer to the brand's landing page for further engagement. For everyone, there is a positive social impact.

Fonded in 2012, XByMe Global challenges the models of online giants like Google and Facebook, who typically use a pay-per-click scenario that allows them to enjoy most of the advertising revenue their pages accrue. According to XByMe Global CEO James Robins, Google's engagement rates have dropped around 8% in the last 15 years, hinting at a problem with the traditional pay per click SEO advertising models. Instead, XbyMe Global charges brands to use its Free2Give platform at $0.03 per event, and each time a consumer clicks Nzo, 100% of that money is donated to the cause. Currently with a team of eight employees, the company trusts that its commitment to "doing good" will be a deciding factor as it challenges the way that brands typically interact with their consumers.

XbyMe Global operates under a simple mantra: "doing good is good business." "Good is a new market currency - it's proven that the tie between the brand and a cause is very beneficial to the way consumers view the brands," Robins says.

With no VC funding, the company has raised about £1 million from various angel investors and is looking towards an upcoming growth phase. Robins hopes that by the end of next year, the company will have generated north of £50 million for good causes and £250 million by the end of 2016. After factoring in recent investments in 2014, the company is now valued at $9 million.

Going forward, globalization is high on the agenda. As with most companies, Robins is worried about the speed and delivery of execution and the company's ability to scale, particularly with finding the right people. Indeed, a move to the United States might be on the cards in order to tap into a growing talent pool. However, inherently working with global brands gives the company a head start in tapping into consumer bases around the world.

Most importantly, Robins and his team are looking to wrest power from the advertising mediums and empower the consumer. The value of a click on Nzo is much more valuable than a click on a Google ad: "By the consumer inviting the brand into their digital lifestyle and their social circle, the consumer is saying I'm supportive of this brand and endorsing it," Robins says.

From the arliest deployments of the software, the company has noted a click rate that is 40 times better than Google Display Network, a 20% rise in the number of ads seen on mobiles and tablets, and a return on investment of the company's marketing budget that is four times better than Facebook's, asserts Robins.

Currently the model is strictly B2B, with brands allying themselves with particular causes and consumers donating to them with the click of Nzo. But for the future, Robins envisions a B2C model whereby consumers can select the causes to which they donate and traffic is driven directly to Free2give.com. "Normally brands push themselves into your world," he says. "This is about the consumer selecting a brand and supporting a good cause, which has a proven impact on consumer buying patterns."

One thing is certain, many people want to give and it has never been this easy or free. If brands buy into XbyMe Global's philosophy, the company is primed for growth and the positive impact to causes all over the world will be immense.

Zertisa

www.zertisa.com

Martin Koerner

Software

Germany

No

» In 1965, Gordon Moore, co-founder of Intel, noted that computing processing speeds approximately double every two years. What was once theory now serves as law – in 2014, Moore's original observation governs the computing industry, guiding the actions and strategies of tech companies everywhere. While tech products in general occupy a constantly evolving and rapidly developing market landscape, the realm of mobile technology operates at a breakneck pace. Consumers clamor for the latest and greatest phones the moment they are released, quickly dismissing their previous device as obsolete and outdated. In such a chaotic sphere of consumer demand, mobile phone creators struggle to keep up with competitive progress, and quickly lose revenues on older phone models.

Enter Zertisa, an Android software development company that aims to change the way users interact with their mobile devices. Based in Germany, Zertisa resulted from Dr. Martin Koerner and Robert Konopka's efforts to focus their previous Linux Company Xompu specifically on the Android market. The company functions as a software outsourcing partner for mobile hardware manufacturers, offering a unique web-based editor to help clients build customized Android software images automatically. With Zertisa's Android Image Customizer solution (AIC), hardware-focused businesses can roll out customized Android interfaces, without needing to hire software engineers.

The company's business model rests on the idea that customization represents the future of mobile product development. Instead of falling into the relentless do-loop of creating faster and more-efficient hardware, Zertisa's software support enables companies to adapt and mold their user interface to better target specific consumer groups. While mobile providers will certainly remain concerned with creating the next big thing in mobile hardware, Zertisa's technology helps keep older phones more relevant as the market evolves.

The company's technology allows for the customization of mobile launching, boot animation, wallpapers, ringtones, apps, and security settings, plus many more features. Zertisa's software can be tailored for devices in different countries, for different ethnic and cultural groups, for different language preferences, and for different user interests. Using the comapany's flexible platform, hardware companies could make a phone as appealing for a car-obsessed teenager in Beijing as they could for a middle-aged Midwesterner interested in the stock market.

In a highly competitive marketplace, Zertisa is confident it has found its own unique and profitable space. As tech companies continually drive prices down on older mobile devices, the company believes that their customized software options will allow for enhanced price stability on dated models. Studies conducted in other industries have proven that consumers are willing to pay a premium for a personalized product – Zertisa has adopted and updated this idea within its business model. By managing customization options throughout a product's lifecycle, the company offers hardware manufacturers continual support for their customers. Consumers are not just paying for a customized product, they are paying for a mobile device that grows with them.

Zertisa faces its fair share of challenges. While the company has the unique advantage of enabling second tier hardware manufacturers to compete with larger companies (and allows larger competitors to outsource and automate their Android personalization software), the top mobile manufacturers generally employ their own in-house team of software developers, who take away from Zertisa's allure. Teams that offer painstakingly specific solutions for manufacturers also compete with Zertisa, as the company cannot effectively offer all of its partners' tailor-made solutions to fit their precise requirements. RedBend serves as Zertisa's closest competitor.

Unlike other software startups, Zertisa has not actively pursued raising funds to build the company, and has not received any as of yet. With Zertisa organically achieving "a 7-digit number in revenues" in its first full year in operations, founders Koerner and Konopka are still evaluating whether a venture round could accelerate the company's growth. The pair remain convinced that customization will serve as the "next game changer" in the mobile industry, and have experienced promising results during their first year of business. While the landscape is competitive, the market opportunity surrounding the mobile software industry is enticing. Zertisa's streamlined solution for the customization process is both inventive and lucrative. RH

EUROPE

STATS

TOP 100

REVENUE

SECTOR

44%

Of all winners are Cloud, Internet or Software

	# Companies
Banking/M&A	3
Big Data/Storage	2
Clean Tech	10
Cloud Computing	12
Consumer Electronics	2
Entertainment & Media	2
Hardware	2
Internet/Online	15
Life Sciences/Biotech	1
Marketing/Advertising/SOE	9
Medical Devices	1
Mobile	8
Other	5
Pharma	2
Professional Services	2
Security	4
Social Media	3
Software	21
Telecommunications	7

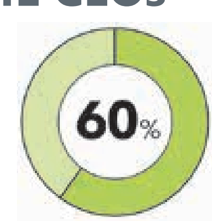
FUNDING

72% Of companies had at least one round of funding

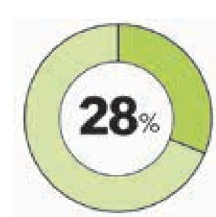
Average Funding **$6.5M** With median at $1.8M

# of Rounds	# Companies	Avg. Total Funding
0	18	$249k
1	38	$2.7M
2	22	$4.5M
3	23	$8.5M
4	5	$24.2M
5	4	$25.3M
6	1	$1.5M
7	1	$97M

THE CEOs

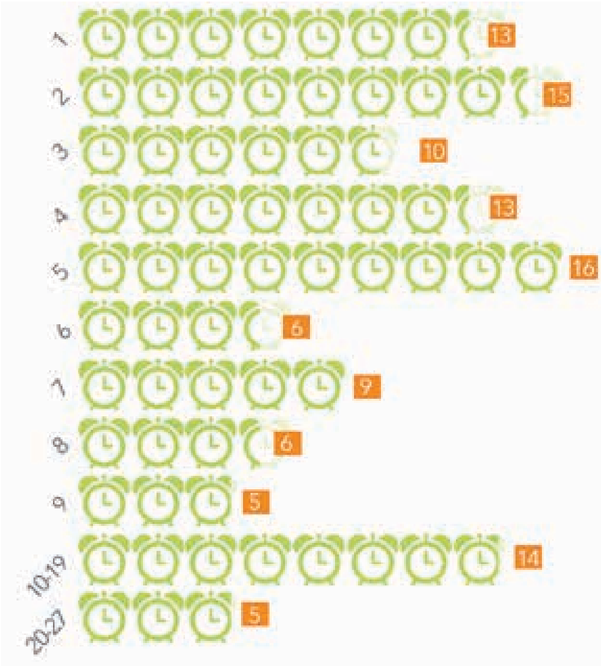


Are first time CEO



Are CEO/ Founders

COMPANY AGE



5 YRS Median age

6 YRS Average Age

LOCATION

20 Countries

20 UK

19 France

10 Israel

9 Finland, Turkey

Belgium	2%
Denmark	4%
Estonia	1%
Finland	9%
France	19%
Germany	5%
Ireland	1%
Israel	10%
Italy	4%
Luxembourg	3%
Netherlands	6%
Norway	1%
Romania	1%
Russia	1%
Slovenia	1%
Spain	1%
Sweden	8%
Switzerland	6%
Turkey	9%
United Kingdom	20%
Grand Total	**100%**

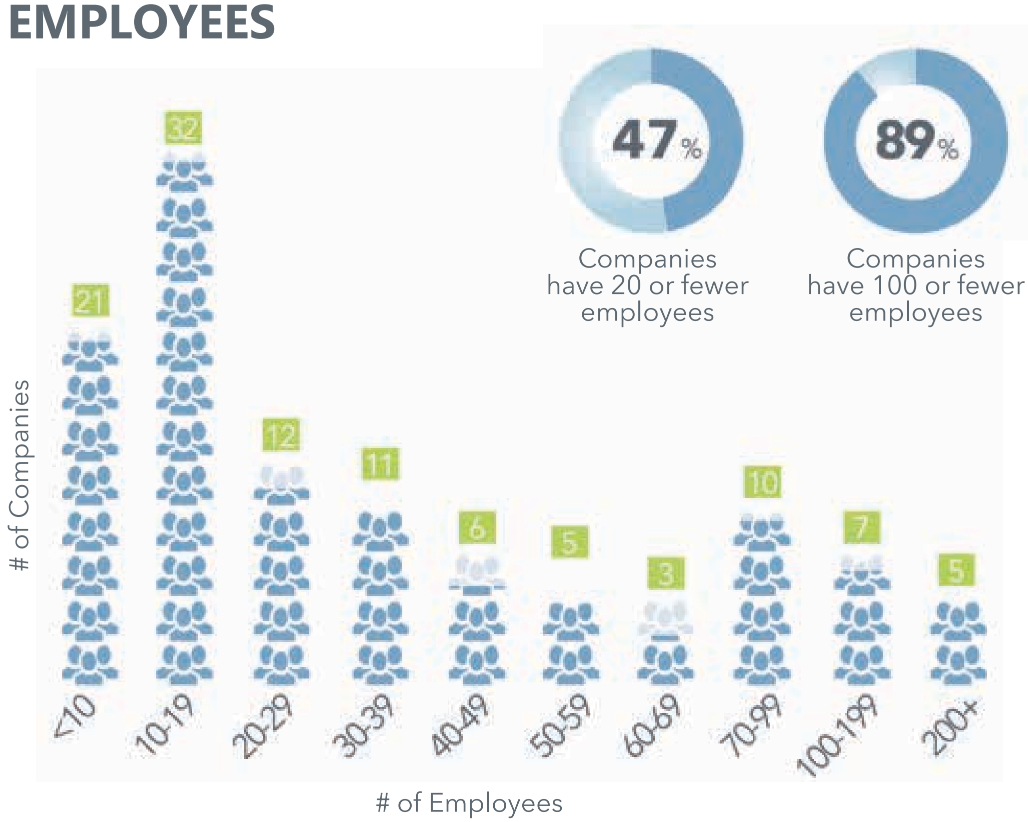
PATENTS

1515 Patents

57% Have no patents

3 Companies hold 73% of patents

EMPLOYEES



Companies have 20 or fewer employees

Companies have 100 or fewer employees

1 Only 1 company has over 500 employees

Chicago's tech landscape
A DIGITAL TRANSFORMATION

Chicago has always had a powerful and diverse economy. Today, no sector accounts for more than 15% of the city's overall economic output. But how does Chicago's tech scene compare to those on the East and West coasts, which the city was founded to connect?

For such a varied economy, it is good news that digital revolution has been indiscriminating in its rampage across sectors. "Software is eating the world," said Marc Andreessen, venture capitalist and inventor of the first web browser, Netscape. There is plenty of evidence to substantiate his claim, and not just from the traditional enterprises, like music, books, and photography, that we usually associate with software disruption. The 21st century automobile, for example, now uses software to run its engine, control its safety features, and direct its drivers to their ultimate destination. Law, energy, healthcare, and education are likewise experiencing dramatic threats to the way in which the incumbents conduct business. Not a single industry will be left unaffected.

This software revolution has its groundings in the West coast. Silicon Valley, the 50 miles of land in between San Francisco and San Jose, is home to, among others: Apple, Google, Facebook, Twitter, eBay, Yahoo, Dropbox, and Uber. Los Angeles, meanwhile, can boast of Snapchat, Tinder, Oculus, and Beats. Seattle still has Microsoft and Amazon. But software respects regional boundaries as little as it does industry verticals.

Wherever there is industry, the inevitability of computer-enabled innovation follows. And Chicago already has solid foundations in industries that are ripe for technological disruption. Fortune 500 companies like Walgreens, Sears, McDonald's, Kraft Foods, Hillshire Brands, and OfficeMax all currently have their headquarters in the greater Chicago area. A well-educated and talent-rich workforce, central yet urban location, business-friendly political environment, and a lower cost of living relative to the coasts, lure these mega companies to the Chicago area. And the same advantages will pull in Internet-based companies as well.

At the center of Chicago's tech landscape is Groupon, in part because of the company's early success, but also because of the pervasive influence that its executives, Brad Keywell and Eric Lefkofsky, have on the rest of the city's entrepreneurial scene. Between 2010 and 2011, Groupon became the fastest growing company of all-time, by a wide margin; those two years saw revenues jump from $30.47 million to $713.4 million, or 2,241% year-on-year. The company has since experienced a very public comedown and is now considered a business-school case study in growing too quickly and overall mismanagement. But during 2014's first fiscal quarter, the company reported $1.82 billion in revenue, with free cash and cash equivalents at $1 billion. And it is just one of a few Chicago-based companies shaking up the retail space. Grubhub received a $2 billion valuation when it completed its IPO last April, while companies like Threadless and Trunk Club have innovative offerings that have allowed them to challenge traditional clothes retailers.

Area companies are likewise exploiting the computation-driven change that is happening across the transportation and logistics industry. Echo Logistics and Coyote Logistics, third-party logistics (3PL) providers that use software to optimize outsourced supply chain management, both boast annual revenues of close to $1 billion.

The Chicago Loop (left) is the central business district of Chicago, with the beautiful Chicago River running alongside. Streetville (right) is a neighborhood containing a combination of hotels, restaurants, professional office centers, residential high rises, universities, medical facilities, and cultural venues.

There is also Belly, a digital rewards platform for small and medium sized businesses facilitated through iPads and smartphones. To date, the company has received $25 million in funding from, among others, Andreessen Horowitz, the Silicon Valley VC firm that Marc Andreessen co-founded. Its first round of funding, however, was raised from Lightbank, the Chicago venture capital firm run by Keywell and Lefkofsky. Venture capital is an essential part of any city's entrepreneurial ecosystem, and more so than other forms of financial services, it is important that it is sufficiently local.

Startups dealing with the difficulties associated with charting a new market have increasingly come to count on venture capitalists as consultants and advisors. While Lightbank has quickly gained national respect as an early-stage investor, the Chicago venture capital scene is decidedly one-sided.

There are no true counterweights to Lightbank as there are in places like Silicon Valley and New York. According to data from CB Insights, a venture capital industry research firm, Chicago lags behind New York significantly in terms of both deal and investment volume. Meanwhile, comparing the current state of Chicago VC to Silicon Valley is, in CB Insights' opinion, "foolish."

In an industry where entrepreneurs seek out the VCs they would like to work with as much as it is the other way around, this can create problems. Lightbank should not be blamed for being selective about who and how it funds—despite being the top dog in Chicago, it is, after all, only the eighty-seventh largest VC fund, according to Entrepreneur.

The relative lack of venture capital belies the fact that Chicago has identified how important it is to spur entrepreneurship and its growing technology scene. Several initiatives are poised to accelerate the city's embrace of entrepreneurship.

1871, a joint initiative between area venture capitalist J.B. Pritzker and the state of Illinois, is a 50,000 square foot workspace for early stage start-ups developing Web and mobile applications. Named in honor of the fire that ignited an economic revival in the city at the turn of the 20th century, the 225 companies that used the space in its first year, 2012, created a reported 800 jobs, attracted investments of $27.6 million (6% coming from VC), and generated revenues of $12.7 million. This might be a drop in the bucket compared with similar incubators in Silicon Valley, but the trajectory is certainly positive.

There appears to be no shortage of high-end programming talent either. Top universities like the University of Chicago and Northwestern University have strong ties to the city, while the University of Illinois-Urbana Champaign has an internationally recognized Computer Science Department. Meanwhile 37Signals, the company behind the open source web application framework Ruby on Rails, that currently powers Twitter, Bloomberg, and Github, among others, has operated in Chicago since its founding in 1999.

There is also the Starter League, a school founded by two former Northwestern University student body presidents to teach the programming and web development skills that are necessary for Chicago's technology renaissance to take place. In just two full years, the school has grown substantially, allowing it to offer a much wider range of classes at varying lengths and levels of sophistication.

If Chicago continues to establish a demand for venture capital, through the people who funnel into its local universities and initiatives like 1871 and the Starter League, investors will provide the necessary supply of cash. Chicago now has the chance to write its own history as a respected commercial engine well into the Digital Age. RH

Marc Andreessen is an innovator and creator, he is one of the few people who has pioneered a software category (Web browsers) used by more than a billion people and established several billion-dollar companies.

PHOTO COURTESY OF WWW.COINREPORT.NET

Can anyone topple FACEBOOK?

A decade ago, Mark Zuckerberg and a team of computer developers set up shop in Palo Alto to start the next big thing. Since then, Facebook has dominated the social media sphere and enjoyed one of the largest ever technology IPOs in 2012. Now say hello to Ello. The simplified social media site with no ads and complete privacy protection is the latest challenger to Facebook's throne. But can anyone rival Facebook?

Ello, dubbed the 'anti-Facebook,' promises users the privacy and social conscience that the world's largest social network can't provide. Ello also pledges the site will remain free of advertising and personal data will never be disseminated to third party users. The company made this legally binding in October, when it filed as a Public Benefit Corporation. According to Ello's website, "collecting and selling your personal data, reading your posts to your friends, and mapping your social connections for profit is both creepy and unethical. Under the guise of offering a "free" service, users pay a high price in intrusive advertising and lack of privacy."

Ello. Simple, Beautiful, & ad-free.

As of October, the newcomer is still in beta testing phase. Members must receive an invite, or can apply for one via the website. "Simple, beautiful, and ad-free" reads the sign-up bar. Functions like categorizing your connections into 'friends' or 'noise' aim to reduce cluster in much more efficient ways than Facebook's restrictive options.

A myriad of bugs still plague the system and users have complained about various features that may actually inhibit privacy, like the inability to block other users or customize who can follow you. But high early growth rates suggest Ello has struck a chord with at least a small disgruntled portion of Facebook's 1.3 billion users.

Ello emerges from nothing

CEO Paul Budnitz told Bloomberg Businessweek the site attracts 40,000-50,000 new users per hour, many of whom were previous Facebook stalwarts. Budnitz, a bicycle store owner in Burlington, Vermont, admits the growth is unexpected, given he designed the site for just 90 of his family members and close friends to connect in a private, ad-free social environment.

Should a Facebook exodus occur, the LGBTQ community could well be one of the major groups that trigger it. The tech giant removed the profiles of thousands of drag performers who refused to use their authentic names in place of their stage names. Ello has condemned the way Facebook tries to control users' identities and asserts itself that it has no plans to breach privacy rights. Facebook's Chief Product Officer Chris Cox offered an apology, but Ello's message is bound to have resonated amongst many.

The company reiterates its core values in its manifesto: "We believe a social network can be a tool for empowerment. Not a

tool to deceive, coerce and manipulate — but a place to connect, create and celebrate life. You are not a product."

Budnitz has not shied from delivering direct jabs to his much larger opponent. "We see Facebook as an advertising platform, not a social network," he said. "Users are products at Facebook. They want to know as much as possible to advertise to you."

Can Ello commercialize?

The question then becomes whether Ello's more "ethical" methods can lead to sustainable business growth. Without monetization from ad revenue and the value created from tracking user data, Ello will rely on a freemium model where users will pay a small additional cost to add premium features (for example, managing two profiles with one login) to their account.

Shiv Putcha, an analyst in consumer mobility for IDC, suggests that privacy concerns, at least in the short term, will not be enough to convert users from Facebook to Ello. Most people "just don't care enough" or are "unaware" about the implications of privacy intrusion. The issue has come to the forefront thanks to dissent against Facebook's "real-name" policy, but Ello will still need a stand-out feature to convince people to switch social networks.

"It's a catch-22," Putcha said. "People would switch if the network was big and you had enough friends on it, that is the primary trigger. Minus that, there has to be one compelling use-case that everyone likes. What is Ello's killer feature going to be?"

It is unclear whether the promises of privacy, the simplification of social media functions, and the rejection of ads will be enough of an incentive for users to join Ello and pay for premium services. The majority of Facebook's users will be entrenched in what they know – even if they want to move, it will be difficult to detach themselves from the all too familiar platform.

The company also has investors to appease. Vermont-based VC firm, FreshTracks Capital, provided an initial seed round of $435,000 in January. That was followed up by a $5.5 million Series A round in October, led by Foundry Group. Ello will hope a business model adhering to its core philosophies can generate the monetary returns its investors demand. Incumbents like Facebook and Twitter only became profitable in 2010 and early 2014 respectively, while Snapchat has yet to turn a profit. So it might be a while before we see the fruits of Ello's model.

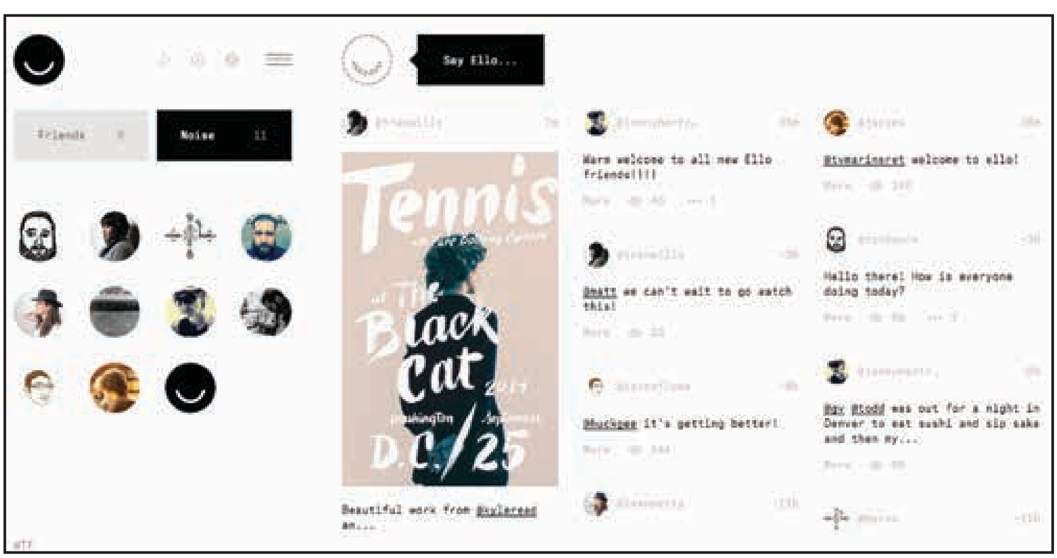
Perhaps if privacy concerns continue to grow, in the long-run Ello could capitalize on Facebook's misstep. But no one is toppling the social media behemoth anytime soon, says Putcha; its tremendous scale and expansion into mobile and other sectors make it untouchable in the near future. Facebook's market cap currently hovers around the $210 billion mark.

Ello entered beta on August 7 and is just two months old. Only time will tell whether the company can mount a serious threat to Facebook and the social media status quo. At the moment, it would seem Ello's success is more to do with the shortcomings of Facebook and other social media incumbents than anything else. Whether or not Ello is the real deal, however, history has taught that the only constant in life is change and Facebook's reign cannot be forever.

Facebook's $22 billion acquisition strategy highlights Mark Zuckerberg's worries over the volatility of the social media market. The company has already endured one investor panic after a perceived disinterest in the website from teen users and the purchases of companies outside that market such as Oculus and WhatsApp have sought to diversify the company's offerings.

Other social networks have risen to the top only to fail spectacularly, such as MySpace and Bebo, but none had the grip on the market that Facebook does. Ello will hope the privacy question is enough to make it a genuine contender to emerge from Facebook's giant shadow. RH

To add a contact, you sort them into one of two categories, "Friends" or "Noise". Viewing Ello in Noise mode (right). Browsing your Friends / Noise is like seeing a Facebook news feed with large-format updates.



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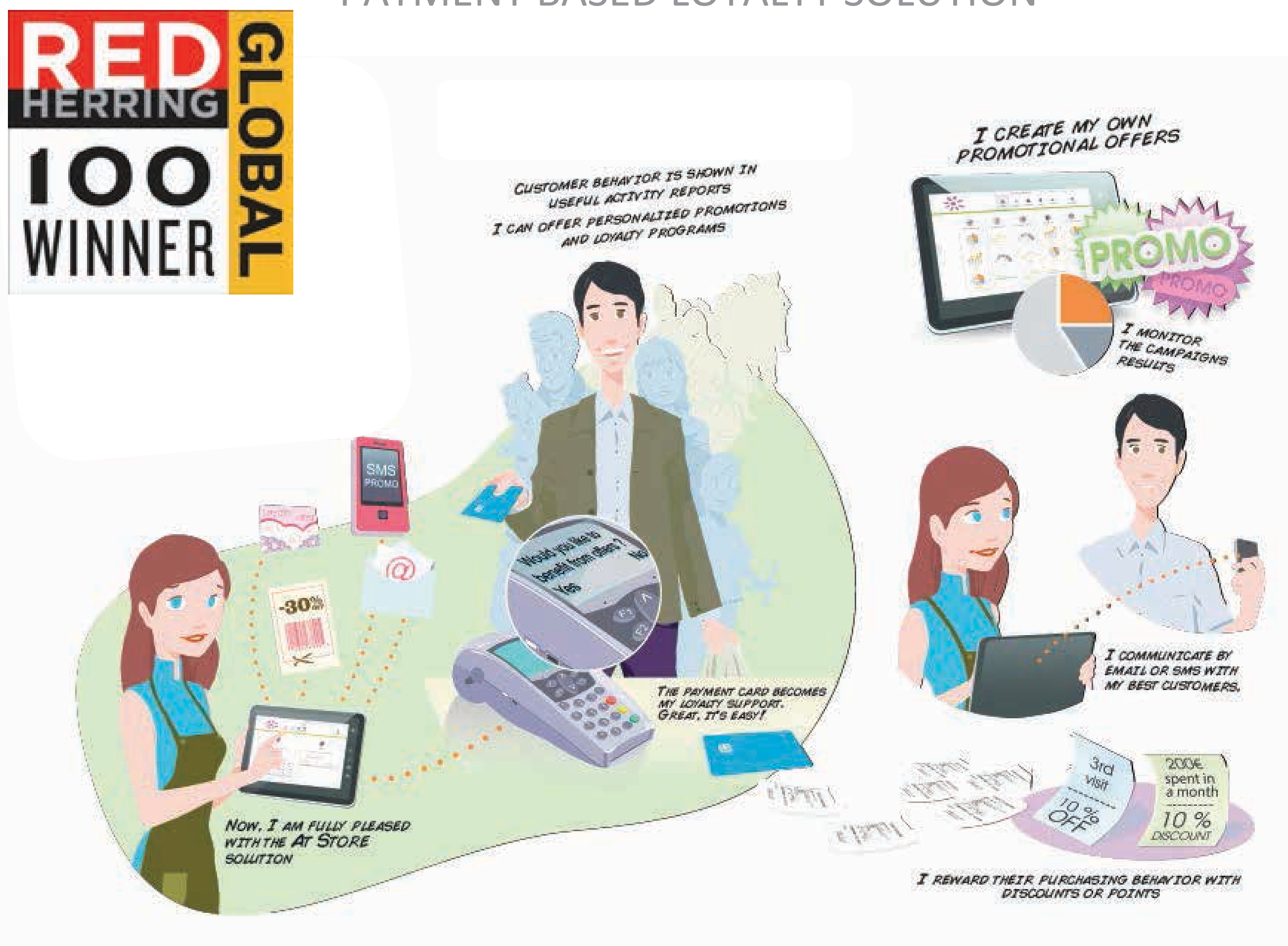
- At Store helps Payment Services providers to develop and **monetize value-added services** on top of traditional payment services

PAYMENT BASED LOYALTY SOLUTION



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Business laws for China.
Five rules to remember

China is a massive marketplace, teeming with talent and a potential goldmine for investors and entrepreneurs. It's little surprise so many startups set up shop in Shanghai, Beijing, Guangzhou or other cities so quickly. But in the rush to establish a foothold, many western business people are falling foul of China's legal system, which can be difficult to grasp. And as the convictions this year of a British-American couple for their part in a GlaxoSmithKline corruption scandal show, it is never a good idea to mess with Chinese law.

Problems working in China don't just affect the smaller, possibly less prepared startups either. This year China has begun to target giant multinational companies from the West with anti-trust accusations. Among the technology companies to feel the wrath of the Chinese government are Microsoft and Qualcomm. Apple has also had accusations leveled at it by China this year. Chinese state media reported in July that Apple's iPhone was a 'threat to national security' because of the smartphone's location tracking and time stamping capabilities.

PHOTO COURTESY OF JOELSANTOS.NET

Shanghai, China is home to a massive marketplace of investors and entrepreneurs making it an ideal location for startups to enter the Chinese market

While these are larger cases which are more political than anything else, technology startups should still be wary of knowing the local legal system if they make the move east.

"People think they can go into China and it has no laws," says Dan Harris, an expert in Chinese law with Harris Moure. "That couldn't be less true. China is a nanny state, and there are a lot more rules and regulations than there are in the United States. We have this view that China's lawless and we can get away with things, and we often base it on the fact that Chinese companies do the same thing. But what we don't realize is that laws may be the same for Chinese and foreign companies, but enforcement will not be."

Harris has a huge back-catalog of catastrophe and financial loss from those who rushed into China too fast. And, he says, the worst victims are often in technology: "The only two times anyone's cried in my office, both were tech companies," he says. *Red Herring* presents five Chinese laws you really should know.

The legal representative of a company gets to make decisions

If a Chinese joint venture partner hires the legal rep, says Harris, it doesn't matter whether you have the majority stake, or if you're on the board. The legal rep still has the power. "Your Chinese partner can go to the bank and take out $2 million without your say," he adds.

There is no such thing as an independent contractor in China

"I had a company of 15 people who signed a contract to develop an app for three years," says Harris. "Then when the app was developed the Chinese refused to pay and told them to get out."

The majority shareholder of a firm has to have been at the company for three years before an IPO can be made

It has occurred before when Chinese companies were about to initiate an IPO when the majority shareholder has died, meaning that the move has to be sent back to the drawing board. "China doesn't like these super-fast IPOs like the U.S. does," adds Harris.

A U.S. court ruling holds no truck in China

"Sometimes Americans will fight Chinese to have a dispute settled in a U.S. court, then the Chinese will battle them, putting up the illusion they care," says Harris. "Then the American court will favor the American company. But a U.S. court ruling has no jurisdiction in China whatsoever."

Do not terminate employees as if you are in the U.S.

In the States a company can hire and fire at will, often for no reason at all without transgressing discrimination laws. In China an employee may be fired without notice or severance pay only if he or she has severely violated company rules; engaged in dereliction of duty or corruption that dents the employer; made business ties with another company; or is facing criminal investigations. Other reasons, which carry notice and severance, include an inability to perform following a statutory treatment period, and incompetence not remedied by relocation or training (which Harris highly recommends not to follow). Firing twenty employees, or more than 10% of the workforce, carries additional stipulations. "Americans are used to just firing people," says Harris. "It doesn't work that way in China." RH

TOP 100 WINNERS:
NORTH AMERICA
Celebrating Innovation and Excellence

Last year's Red Herring North America Top 100 awards were extremely competitive. The standard of the companies in the running was startlingly high, and as a result a number of extremely competent and exciting startups missed out. That fact only piles more praise on the companies that did make it into this year's Top 100.

The U.S. economy has continued to recover over the past year. The Federal Reserve saw fit to end its bond purchase program and following the vicious downturn which began in 2008, the economy is strong enough to stand on its own two feet again. In the midst of this recovery has been a surge of technological talent, gracing multiple sectors with innovative startups and commanding entrepreneurship.

The downturn and recovery has resulted in a call to quality in all industries. Efficiency, a key goal for any economy, has been provided by those using technology to improve processes, either through automation or better understanding.

During the past year, money has poured into technology companies. Mega raises and multi-billion dollar valuations have caught the eye, while a number of high profile exits have amazed and inspired the technology sector.

A whole range of industries are represented in this year's winners, addressing the key areas of the technology sector in North America. These include mobile, cloud, big data, social, gaming, security and infrastructure.

The technology sector is changing the world faster than ever, and this change is being driven by the ingenuity seen on display in this year's winners. As the pace of progression continues to accelerate, the importance of these companies heightens in turn.

2014:

TOP 100 Technology Companies

America: A-Z

360pi
AcademixDirect
Adconion Direct
Adesto Technologies
Alfresco
Altierre
Altitude Digital
Anametrix
Aphios
AppDirect
Applied Predictive Technologies
appsFreedom
Apttus
Argos Therapeutics
Aseptia/Wright Foods
Atlantis Computing
Avere Systems
Become
BeyondTrust
Bluebeam Software
Cinsay
Cognitive Networks
Compass-EOS
Credit Sesame
Curemark
Daintree Networks
Data Dynamics
Defense.Net
DigiCert
DiscGenics
Duda
Electric Cloud
Flybits
Fruition Partners
Genband
globalVCard (CSI)
GuideSpark
HasOffers
Health Catalyst
Hortonworks
iBuildApp
iCIMS
ImaginAb
iPipeline
JAB Broadband
Kahuna
Kareo
Klocwork (Rogue Wave)
Lancope
Load DynamiX
LocalResponse
Looker
Malcovery Security
Maxta
MicroGREEN Polymers
Modernizing Medicine
myoscience
NearWoo
Nomis Solutions
Norse
OxiCool
Packsize
Panaya
Paxata
Perfecto Mobile
Perseus Telecom
Phunware
Pluribus Networks
PowerPlan
Quanterix
Realmatch
Red Lambda
Rise Interactive
RootMetrics
RxWiki
Salesify
Scaled Agile
Scribe Software
Seamless Medical Systems
SecureAuth
SeeChange Health
Shape Security
Signal
SkyCross
Skyhigh Networks
Skyonic Corporation
SmartZip Analytics
Solace Systems
Solavei
SpiderCloud Wireless
Splice Machine
SpotXchange
SPR Therapeutics
Stoke
StreetLight Data
Sureline Systems
T3 Motion
Tenable Network Security
ThreatTrack Security
Trueffect
TRX Systems
Ubiquity Global Services
Vitals
Welltok
Xactly Corporation
XCOR Aerospace
Yashi
Zeta Interactive

360pi

www.360pi.com

Alexander Rink

Cloud Computing

Canada

Yes

» In a white paper on price optimization, Oracle reports that "over the past few years there has been renewed focus on the use of price as a merchandising lever" due to a number of factors, such as commodity price volatility and a smaller consumer purse thanks to the global economic crisis. Considering these tough times, adds the report, "the adoption of sophisticated solutions has not been as high as some analysts had expected." According to a Forrester report, 52% of in-store purchases are influenced online.

Aiming to jump on this baffling lack of uptake is 360pi, an Ottawa, Canada-headquartered firm offering a range of products which enable enterprise clients to check, compare and audit prices from millions of sources at the click of a button.

360pi, which employs 50 staff members, allows clients to effectively and simply discover the pricing of their competitors in real time. Its price intelligence solutions enable retailers to optimize their business strategies with the most up-to-date information available. The company claims that it can help customers drive up margin and revenue increases by 80%.

The company was initially founded in 2007 by Sam Zaid in Ottawa, as Gazaro. It helped customers to determine when best to buy a product based on analysis of hundreds of retailers. The company expanded into the mobile market in 2009, upon which it was garnered with plenty of attention from top-level interests such as the 2011 TiE50 Awards, where it was a finalist.

In July 2012 Gazaro's enterprise wing became 360pi, and announced a wave of seed funding that included $4.1 million from Austin, Texas-headquartered Silverton Partners and an undisclosed amount from MaRS Investment Accelerator Fund, from Toronto. Other investors include OCE and Apption. CEO Alexander Rink, who came on board in 2010, claims that finding seed money has been easy "given the quality of our product and leadership position we have established."

"We pivoted the company to focus on large enterprise retailers in early 2011, re-branding the company as 360pi. We have greatly exceeded expectations from that time forward, establishing a clear leadership position in delivering profitable insights to retailers and manufacturers." 360pi now counts leading brands such as Best Buy, Guitar Center, Ace and Build.com among its many clients.

Rink claims that the market, while growing, is extremely dynamic, and competition includes price recommendation and optimization providers such as IBM, SAS, Revionics, JDA and others. "However, we see ourselves as highly complementary to these services, and have established partnerships with most of them." he adds. "As a result, 360pi's intelligence and insights are used to both complement these companies' solutions, and to fill an essential gap in their offerings related to market pricing."

Given that 360pi's space is relatively new, its CEO stresses the importance of creating awareness of its service and value proposition. A Red Herring Top 100 Award may help towards this, but Rink says that the company still finds itself on the receiving end of false or misleading claims from "upstart providers" about its quality of service. "All that said, we have been very successful at establishing a position of thought leadership in the industry, demonstrating the effectiveness of our profitable insights, and earning our customers' trust business, both initially and over time." RH

Academix-Direct

www.academixdirect.com

Karen Francis

Marketing/Advertising/SOE

California

Yes

» Among the many ripples disrupting our world is one that is challenging a system that has remained more-or-less unchanged since the 18th century — university education. Higher education is seeing an immense opportunity through distance learning, in the rise of Massive Open Online Courses or MOOCs. Underlying this development are many factors — a new culture of self-learning, virtualization and technological penetration. But above all it is the demand for quality education by an aspiring global middle class, hungry to learn but without access to a good university. This is a demand so big that it cannot be met, even in principle, by brick-and-mortar institutions. But in the age of virtualization, it does not need to be. You don't need to go to MIT. MIT will come to you.

MOOCs is a space that has seen enthusiastic, even frenzied, entrepreneurial energy. Even in the few years that MOOCs have existed as a recognizable acronym, the space has become a noisy, crowded marketplace that instead of empowering the student, overwhelms them with unfiltered information. What is needed is a way to cut through the noise and connect the right student with the right course. Wouldn't it be something to have a Yelp for MOOCs?

AcademixDirect is a company trying to do just that.

"We are an education marketing company that uses technology to help educators find students. It's all about connecting with potential students and informing them about their options. Between the education institution and the student is us," says Karen Francis, CEO, AcademixDirect.

Founded in 2004-2005 by the tech entrepreneur Al Abhari, AcademixDirect started life as an online marketing company with multiple verticals, rather than being focused purely on education. But by 2009 it became clear that of all its verticals, education held the maximum potential. And so in 2009 with equity from Kenneth Partners and a change in its name and CEO, AcademixDirect took its present form.

What makes the company truly exciting is Coursetalk — the leading search and discovery platform for learners of all ages looking for online courses. Launched in 2012 by the former trader Jesse Spaulding and acquired in 2013 by AcademixDirect, Coursetalk has come closest to what a Yelp for MOOCs would look like. It's a platform that allows for two crucial things — a comprehensive search of MOOCs that is customizable to the individual student, and a social network of sorts where students can share assessments of MOOCs courses and professors with each other.

As with anything that seeks to utilize the power of a crowd, what is crucial for its success is the actual coming together of a crowd. Coursetalk's success so far lies in the fact that it has grown an active community on its platform — the largest so far in the MOOC's space in terms of user ratings and reviews. The site sees visitors from over 125 countries and together they have created a knowledge base of over 3000 course reviews.

"When looking for information about a class, school or MOOC, students trust other students. This is partly the answer to the question we asked ourselves. How do we give the learner customized information? What is the difference between someone searching for MOOCs on Google vs someone using Coursetalk to find courses?" says Francis.

Francis says that the current focus with Coursetalks is to increase functionality - like increasing the granularity of reviews and finding ways to contextualize the reviewer to make the reviews more helpful, since learning goals and expectations differ depending on the learner's background. "The ideal scenario for the website is that it becomes a global Yelp of MOOC. The go-to place. We therefore don't have a revenue target for Coursetalk," she says.

AcademixDirect had an initial investment of $10 million from Kenneth Partners. In 2010, the company turned EBITDA profitable. Since then the base business has grown at 15-20%. From revenues of $9 million in 2009, the company grew to $30 million in revenue by 2013. The company is paid for its services by course providers. The student end is free.

Francis comments: "For us the real competition is confusion. The education system is a very fragmented space. Within this fragmented segment different universities are figuring out the online space and doing it their own way. With every college making its own decision, standardization and consolidation becomes difficult for the sector as a whole. It becomes important then to keep a steady vision among all the change and the noise. But it's also a fascinating time. Education hasn't changed in hundreds of years. Now technology can break the paradigm."

Adconion Direct

www.adconiondirect.com

Kim Perell

Marketing/Advertising/SOE

California

Yes

ACQUIRED

» According to consulting firm AT Kearney, internet digital advertising revenues grew by nearly 20% between 2011 and 2013. Mobile advertising revenues virtually doubled over the same period. It is also estimated that global digital advertising revenues for 2013 came in at around $130 billion.

In such a lucrative market, it's easy to understand companies are jostling for position and market share.

With this in mind, since becoming a Red Herring award winner, Adconian Direct was bought by Amobee in June of this year for $235 million.

Digital marketing company Amobee also acquired Kontera Technologies, integrating all three digital advertising technology companies as one entity under the Amobee brand.

With the combined entity, Kim Reed Perell, former CEO of Adconion Direct, became president of Amobee, with Mark Strecker, CEO of the company.

Amobee offers marketers, agencies, publishers and operators an innovative digital marketing technology platform and advertising solutions.

The platform enables its customers to run data-driven, targeted, cross channel digital marketing campaigns.

Headquartered in Redwood City, CA, with offices in London, New York City, Los

Angeles, Argentina, and Singapore, the R&D center is in Herzliya, Israel.

Amobee is a division of SingTel's Digital Life Group, which is focused on creating new digital growth engines to delight customers and disrupt adjacent industries.

The company operates across North America, South America, Europe, Middle East, Asia, and Australia.

Together, as Amobee, the companies have a global presence with a team of 600 plus employees and service more than 1,000 brands and agencies worldwide, including Anheuser-Busch, FIAT Brand North America and Chrysler Group LLC.

Financial backing comes from Sequoia Capital, Accel Partners and Globespan Capital, as well as strategic investments from Motorola, Cisco and leading operators, Vodafone, and Telefónica.

With numerous awards and a solution providing enterprises with a genuine ROI, Amobee is certainly one to watch.

Adesto Technologies

www.adestotech.com

Narbeh Derhacobian

Hardware

California

Yes

» It is wonderful to live in an age where you can carry incredibly powerful technology in the palm of your hand. But the demand put on these mobile devices in terms of power has made the need to recharge the battery an all-too-frequent occurrence.

That is why any company that can reduce power consumption, while providing similar levels of performance, is likely to strike a chord with consumers and manufacturers alike.

And this is the Adesto Technologies story, with its ability to provide efficient semiconductor devices catering to the demand for lower power consumption. Adesto's CBRAM's (Conductive Bridging Random Access Memory) power and energy requirements for reading and writing data are 10 to 100 times lower than the majority of technology solutions, the company says.

This can be applied to the battery life of devices running different connectivity protocols such as Bluetooth Low Energy (BLE), ANT+, Zigbee and other platforms which are common in wearable electronics and sensory systems.

DRAM (Dynamic Random-Access Memory) memories still certainly set the benchmark for operating speed, but they are also power draining. So the CBRAM solution, which can approach DRAM-like performance and also offer significant reduction in power consumption, is often the best answer.

Narbeh Derhacobian, Co-Founder, President and CEO of Adesto Technologies, explains the company was born out of awareness that there was an emerging market in terms of memory requirements.

"Typically memory always been viewed as something cheap and commoditized, taken for granted," he says. "Even going back several years there were niche markets where more value-added products in terms of memory were required, specifically security applications, but back then the basic concept of an application specific memory was a more niche situation, but something we felt needed to bring to the market."

And over the last 18 months, the company has seen growth, thanks largely to that niche market becoming a mainstream market, with Derhacobian stating Adesto will be "the key growth driver in term of components over the next decade."

The company initially started to commercialize its proprietary CBRAM technology due to its advantages in "performance, power, cost and scaling." But the main focus was on the power and performance, according to the CEO, as they are the "building blocks of the Internet of Things (IoT)".

"When you take power multiplied by performance you get energy and when you get to do those at extremely low energy you become an enabler in that market".

But he adds that simply having the proprietary technology is not enough and cites the many times a company has had great technology but failed to commercialize the product. Adesto is determined not to join these 'also rans' and with more than 300 customers, its solutions in billions of products and developing channels, confidence is high.

The company's ability to react to a customer's needs has also helped Adesto make a name for itself, as Derhacobian explains. Last year, a key customer was having an issue with an off the shelf Bluetooth product which had an element that wouldn't work when the battery was charged, and another that would fail when the battery was too low.

Adesto came up with an innovative low power fusion answer to the problem and the product worked in its entirety, regardless of the charge on the battery.

The next 18 months will see the continued development of products, specifically targeting the IoT space, such as wearable devices and sensors. According to an excerpt from the Harris and Harris Blog, Adesto, "with its next-generation memory devices, is positioned on the cutting edge of some of the hottest segments and coolest emerging technologies in the market today."

These include wearable electronics, the Internet of Things (IoT), and Machine-to-Machine applications."Adesto is a well-run, fabless chip company with a global footprint and disruptive technologies," it continues.

The company is already profitable and it is not looking for funding from private resources.

With the evolution of devices that require bigger performance for longer, being at the front of a low power solution which doesn't hinder performance should see Adesto continue to make great strides at the forefront of the marketplace. RH

Alfresco

www.alfresco.com

Doug Dennerline

Software

California

Yes

» After Doug Dennerline left his position as President of SuccessFactors, following the company's $3.4 billion acquisition by SAP, his future was undecided. Instead of joining boards or taking a break, Dennerline set his mind on becoming CEO of a company. He wanted his new position to be in software, and for the company to have the potential to go public. This led him to Alfresco, and the decision is working out brilliantly for all involved.

When Dennerline joined Alfresco the company had achieved $50 million in recurring revenue and had $22 million in the bank, despite only raising $20.5 million in venture funding. For Dennerline the task was clear: to take a good performance and make it even better. The company is now growing at around 32% year-on-year and has taken its content management software up against the big players in the market - and is coming out on top.

Alfresco helps enterprises share, manage and retain content, enabling teams to collaborate more effectively, improve efficiency and ensure information governance. The company serves both the on-premise market and content management applications which can run in the cloud. Alfresco's software is also open source, meaning anyone can download the platform and develop their own applications onto it. When they need new versions or support for the software, Alfresco secures their business on a recurring revenue service contract. However, the company has changed focus away from that business model, and is now seeking bigger contracts.

"We are more outbound now and going into larger enterprises and helping them understand how we can help them get off their old legacy systems and get onto a new more open architecture platform like Alfresco. And do it at a lower cost and give them more control over the experience the software gives to the end user," explains Dennerline.

As a result, the company's average selling price is increasing and the number of larger transactions is growing dramatically. In the fourth quarter of the last fiscal year Alfresco secured 12 transactions which exceeded $100,000 in annual revenue, highlighting the company's move upmarket.

Alfresco achieved this shift in part by recruiting a sales force which had plenty of experience and former clients of the size it wanted to attract, and simply let them tell their former customers that there was a better solution on the market. "I think we are walking into these large installations and saying there's a better mousetrap out there, and those conversations are working for us," says Dennerline.

The success of the company has attracted attention from all corners. Alfresco recently announced that Bruce Felt, CFO at Silicon Valley Bank was joining the board. "While market forces are dramatically changing the ECM requirements for large enterprises today, Alfresco is at the forefront of solving business pain points with its differentiated and modern ECM solutions," commented Felt. "I'm thrilled to be joining the Alfresco Board and to be a part of a company that is offering customers a path to the future of ECM and disrupting an industry along the way."

Alfresco estimates the enterprise content management market to be worth $5.7 billion globally, but factoring in the disruption of smart process apps and collaboration market, believes the opportunity is worth more than $20 billion. The company's numbers are impressive. Alfresco boasts over 1,215 active customers in 180 countries, 7 million users and currently has 325 employees.

With these numbers, Alfresco is edging ever closer to Dennerline's goal of going public, but the company has first raised another round of funding -$45 million from Sageview Capital and existing investors Accel Partners, Mayfield Fund, and SAP Ventures. "We'll go public when we have consistency and predictability in our growth," says Dennerline. "The financing we're raising will provide us the ability to get to that predictive growth by adding market presence around the world in terms of sales people and marketing dollars to reach more customers, as well as hire a few more developers to continue to build great products for our customers."

Alfresco's dramatic growth shows how the right person can take a company to the next level. Dennerline's complete overhaul of the management team, retargeting of focus and emphasis on the North American market has worked wonders. And he appears to have enjoyed every minute of it. "There's a great group of people and I've been able to attract some terrific talent to the company in addition to all the great people already with Alfresco, so things are going tremendous for us. We're excited and we're growing," he concludes. RH

Altierre

www.altierre.com

Sunit Saxena

Other

California

Yes

» With constant stock turnover, special offers and thousands of products, dynamic pricing for brick and mortar retailers means a lot of manual labor hours and an abundance of paper labels.

As Chris Donnelly, a managing director of Accenture said in The New York Times: "If you make 10,000 price changes and you have 1,000 stores, you have 10 million instances". The retail specialist then added that labels are only 95% to 96% accurate.

Sunit Saxena, chairman, CEO and President of Altierre, along with the company's other founders, realized back in the early 2000s that there was a huge potential for a digital signage solution where prices at the point of purchase could be effected via a lightweight wireless network.

The solution was a combination RF and digital display that would be low profile, work on batteries for more than five years and be affordable in large quantities. Saxena says Altierre, which is headquartered in San Jose, is the only company in this space that has its own mixed signal RF chip technology, display driver technology, RF network technology, software technology and manufacturing to provide end-to-end turnkey solution for the retailer.

And the tech is not limited to pricing, there are shelf sensors that monitor inventory and temperature fluctuations, and point-of-decision customer mobile communications.

"Altierre also has all its engineering teams in-house, always ready to turn on a dime to build new solutions," Saxena says.

The company, which was founded in 2002, also holds several worldwide system patents that provide broad protection to its business processes approach, its RF and digital technologies and its software technologies. It also claims to be the "only successful U.S. company of its kind".

"Our solution requires many technology components and is hard and expensive to build as a company," says Saxena.

The market alone for digital signage in the U.S. alone is worth upward of $15 billion annually, according to the CEO and, lured by this compelling figure, "many have tried to enter this space and failed".

That isn't to say there is no competition in the sector. Altierre's main competitors are two point solution digital price tag only companies from Europe. One's network is IR, which Saxena asserts has line of sight drawbacks, is expensive and single-purpose. The other competitor's network is one-way RF, which the CEO brands as "unwieldy and expensive" due to its aisle length antenna wires that have to be strung down the length of each aisle.

In contrast, he says Altierre's two-way RF network only requires one AP per 50,000 sq. ft., is highly reliable, easy to install and low-cost.

The company cites a report published in 2003 sponsored by Cap Gemini, Ernst & Young and Intel that surveyed 1,000 consumers. Among the top five 'most important' factors in store, having products priced the same at checkout as on the item or shelf was the most important factor, while having prices visible on products or shelves came in third.

These issues are important to consumers and Altierre provides a solution, so it's understandable why Patrick Sobraques, owner of the E.Leclerc hypermarket in Saint-Jean-du-Falga, France and President of Infomil, the I.T. subsidiary of E. Leclerc, says the offering has been successful.

"Our store is fully deployed and functional with this system, which has been very well received by our store employees and customers," he states. "We are also extremely pleased with the strong collaboration between Infomil and Altierre, which allowed efficient support and a perfectly adapted response to our needs."

Altierre is currently expanding its sales force in the U.S. and Europe and this requires an efficient service for its customers, if it is to be successful. In an effort to do this, the company has set up an offshore development support team and in August set up a sales office in Paris, France, headed by former Pricer and Apple sales veteran Jean Michel Luquot.

And then it's a case of "sell, sell, sell, and then, sell more", Saxena states.

To date the company has raised about $100 million from major institutional investors such as D E Shaw, Stratim Capital, DuPont Capital, ATA Ventures, Kinetic Ventures and Labrador Ventures. As a private company no financial figures are revealed, but there has been revenue growth for five years, according to the CEO.

And there are plenty of verticals to explore as the advent of the Internet of Things (IoT) creates plenty of applications for Altierre's technology. Supply chains, manufacturing, automotive, homes, and defense are all sectors of interest to the company.

With signs in more than 1,000 U.S. cities as well as several hypermarket stores across France, the groundwork is laid and the opportunities for expansion are plentiful for Altierre. RH

Altitude Digital

www.altitudedigital.com

Jeremy Ostermiller

Marketing/Advertising/SOE

Colorado

Yes

» The world of online advertising is surprisingly still wrestling market share from its offline counterpart. Many thought the transition of advertising to the Internet would have been much more advanced by now, but perhaps the delay is partly due to publishers who are scrambling to keep up with relentless technological advance.

It was this confusion and a lack of specific tech dedicated to the sector that saw the creation of Altitude Digital, an advertising technology company based in Denver. The company began with $500 in a garage, headed by CEO and founder Jeremy Ostermiller, a true entrepreneur.

He brought in Devin Yeager as COO who initially looked after five websites and is now working with more than 20,000 publishers – a great indicator of the company's incredible growth story. But the market is still very immature and online advertising is constantly in flux.

Alongside the innovators, there are plenty of companies offering value around service aggregators, but Altitude Digital has created a purpose-built platform for the specific needs of publishers in an effort to alleviate "the pains they currently have", says Joe Grover, chief marketing officer.

This unified platform helps publishers to generate revenue from display as well as video advertising, with a strong focus on video. "We have a complete open competition that brings all the buyers, whether an agency, a trading desk or an exchange - even other SSPs. That's why we call it an open competition to really yield the best results for the publisher," Grover explains.

The company is rolling out a new mobile offering to cater to the shifting advertising budgets from television to online and from the desktop to the mobile device.

So far the need for investment has been limited as there is a culture of efficiency at the company, according to Grover. In 2012 Mercato Partners came onboard, known for its success in investing in high growth enterprises and taking companies public.

When it comes to video, the company is seeing 20% annual growth and it expects this to continue to rise as budgets shift from television to online. Display advertising continues at a more modest single digit growth, but it is mobile that is expanding rapidly.

And then of course there are the cross screen providers that can deliver advertising across mobile, desktop and connected TV, with Grover asserting that in the next three to four years it "will be mandatory" to offer this "to stay competitive".

Grover adds that the biggest challenge internally is continuing to innovate the technology and then "test, develop and release". In August the company secured a $7 million credit facility from Silicon Valley Bank, which it will use to double its headcount. "As we go from a 50 to a 100 employees you need to have the structure and the processes in place," he continues. "The whole business goes through maturation so managing that growth so that our growth doesn't outstrip our capability is probably key."

Performance is obviously key as clients can tell immediately if they are benefiting from the service, but there is an element of education and ensuring publishers can optimize the technology to create a revenue stream that promotes competition for its ad space.

"It's very consultative and collaborative, so we have really worked to increase our ad operations and account management to client ratio in recent months to make sure we aren't just handing them a sharp tool they don't know how to use," Grover explains.

The company has opened a host of new, including in San Francisco, L.A., New York and Salt Lake City. This in itself is a challenge for the company, but also a strong indicator of its growth. The mission remains the same though, to streamline the connection between buyers and sellers in online advertising.

The management team has grown from three to 10 and some impressive names now head up the tech side, operations, marketing and mobile - the pieces of the puzzle are very much being put in place.

Alison Wistner, Mercato Partners director and Altitude Digital board member, notes the quality of the company's team. "Market leadership in online advertising is earned through delivering technology that delights customers and streamlines connections between publishers and advertisers," she says. "Altitude's advertising platform, profitable business model and experienced team position the company for continued success as this dynamic industry continues to evolve."

Internationally there is a focus on Europe this year with a number of "Greenfield opportunities" lined up. As the shift towards online advertising continues apace, opportunities are not something Altitude Digital will find itself short on. RH

Anametrix

www.anametrix.com

Pelin Thorogood

Cloud Computing

California

Yes

» The phrase 'big data' is in danger of becoming a buzzword, often found in corporate brochures with the promise to revolutionize whole industries. But one area where the power of large scale data-mining is already proving itself is in marketing.

As people spend more of their lives online, retailers have a rapidly growing pool of data about our shopping habits, preferences and personal information. Marketers who can harness these online 'breadcrumbs' can better track how successful their promotions are and, potentially, predict changes in people's tastes.

Anametrix was set up in 2009 to help marketing agencies do just this. The company can trace its roots back to the early days of the internet, when Anametrix CEO Pelin Thorogood was the chief marketing officer for WebSideStory, one of the first web analytics companies founded in 1996.

Today Thorogood uses this experience to help marketing firms make sense of their own data. "We're a technology company, not a marketing agency. We access the data that the [marketers] are getting, leverage all that multi-channel data and see how they come together to drive revenue," says Thorogood.

Web analytics is a competitive market to enter; it is dominated by deep-pocketed tech giants Google, Adobe and IBM. Anametrix stands out by offering a marketing-focused service, which provides a customizable interface for clients to access and manipulate their data.

The firm's biggest rival in this space is Comscore, a web analytics firm which turned over $280 million in 2013. Historically, business intelligence (BI) firms often provided this kind of service for marketing departments. But according to Thorogood, not all of the BI firms that used to provide this service have the same data gathering technologies as Anametrix.

"BI companies are not as good as dealing with the new technologies, like incorporating streaming data, plus many of them don't have a deep understanding of marketing and the key is being able to deal with marketing's key requirements," says Thorogood.

Anametrix was launched with seed funding from its co-founders, including some of the original members of WebSideStory, as well as a small number of outside investors, such as TVC capital and the well-known Silicon Valley investor Walter G. Kortschak. Around a year ago, the firm also raised another $5 million.

While the company could not release specific revenue figures, Thorogood said that the firm has gross margins of up to 80% and a goal to become a multi-million dollar firm in the next few years. Key to this growth is the firm's investment in big data analytics, particularly in developing the predictive power of its algorithms.

"The machine learning area is one that we are really focused on. The challenge is making sure you can hire some really smart people who can make sense of this growing mass of data," Thorogood added.

In October Anametrix was acquired by cloud marketing provider Ensighten. Deal terms were not disclosed. "Infusing Anametrix's expertise and technology into Ensighten's open marketing platform provides marketers with the unique ability to derive powerful insights and act on them in real-time," said Josh Manion, Ensighten founder and CEO, in a statement.

Aphios

www.aphios.com

Trevor Castor

Life Sciences/Biotech

Massachussets

No

» Aphios is a green biotechnology company looking to nature for human healthcare solutions and therapeutics. The company has developed technology platforms for drug discovery, manufacturing and delivery from its investigation of natural therapeutics in plants and marine organisms. The realization animating the company is that 'in order to solve the problems of cancer and aging, we have to look to nature, marine organisms and terrestrial plants that have learned how to control cell growth and cancerous mutation, often living for hundreds to thousands of years.'

The technology platform developed by the company focuses on isolating the bio-active ingredients from plants and marine organisms relevant to developing drugs and enhanced therapeutic products.

Dr. Trevor P. Castor, Founder, President and CEO, of Aphios Corporation says: "Big Pharma does not in a structured way develop drugs from organic/plant sources. Nature has a lot to offer."

The company's most developed drug so far, in Phase III stage of its clinical trials, is Zindol, which addresses a large unmet medical need to treat chemotherapy induced nausea and vomiting (CINV) in adults and children. The need arises from the fact that commonly prescribed anti-emetic drugs besides being associated with significant adverse effects such as sedation, headaches, diarrhea or constipation, are ineffective against nausea even as they reduce vomiting episodes. It is estimated that up to 50% patients do not complete chemotherapy treatment as a consequence of these side effects.

The ginger based Zindol has shown itself to have several advantages, such as significant reduction in nausea with no significant side effects reported, simpler dosing regimen, no reported drug interactions and lower cost. Zindol could also have potential applications in post-operative, pregnancy and motion sickness related nausea and vomiting.

Aphios is also heavily involved in developing drugs designed to slow cognitive impairment associated with Alzheimer's disease — the debilitating neurological disorder affecting more than 4.5 million Americans and over 10 million people worldwide. At a similar stage of development is also a combination therapy for HIV latency which addresses the HIV/AIDS therapeutics market.

"Each drug has its own market. With Zindol we are looking at a market between $1 - 3 billion. Alzheimer's is a multi-billion dollar drug market while as HIV latency is expected to address a $21.8 billion market worldwide by 2018," Castor says. "Everyone is a potential competitor and potential collaborator because we are diverse in what we offer. End of the day it comes down to developing the best therapeutics. How good and safe is it, what advantages does it have over existing options. Developing these therapeutics is almost like self-competition because of how the FDA works."

According to Castor, Aphios is taking the lead with Alzheimer's, by using a novel approach to fighting it that promises more than the ineffective "band-aid" alternatives presently available. Alzheimer's is the kind of disease that has a big and growing patient population with few effective medical alternatives. The company's most advanced formulation is expected to undergo Phase I/II clinical trials in the U.S. in 2015.

Aphios was founded by Castor in 1993. The company spent the first decade developing the enabling technology platform that it uses for drug discovery, manufacture and delivery. Aphios started drug discovery in 2002. Castor used to work in the oil and gas sector where he oversaw everything from discovery to the development of oil fields - which he says is similar to drug discovery and manufacture, especially in terms of timelines and resources. Castor changed his focus to healthcare, wrote a white paper on healthcare goals and subsequently formed Aphios.

"Our challenge is capital currently. Drug discovery is very expensive process. Well-designed clinical trials are very expensive. Our drug pipeline is a mix of low risk, high return and high risk, high return," says Castor.

The company has been self-funded to date with founder's capital, NIH grants, collaborative and contract research pharmaceutical companies and product sales of specialty research chemicals. The company is presently in the process of raising $45 million to continue the clinical development of Zindol, APH-1104 for Alzheimer's and APH-0812 for HIV latency, through a large mezzanine round of financing. The company would like to follow this with an IPO to raise capital for the commercialization of Zindol.

Aphios' business model is a hybrid one consisting of enabling technology platforms and enhanced therapeutic products. The company is looking to collaborate with strategic corporate partners to license its technology platform for the development of novel drugs and the reformulation of existing ones to improve efficiency. The other arm of the hybrid approach is the development and commercialization of its own therapeutic products. RH

AppDirect

www.appdirect.com

Daniel Saks

Software

California

Yes

» Business applications have allowed companies to become more efficient and profitable. But until the explosion of cloud services, for many companies these services were completely unaffordable. Now the technology firms building these cloud-based applications seek the most effective way of delivering them, which is where cloud marketplace providers enter the equation.

AppDirect is one such marketplace provider. The company was founded at the height of the recession, in the summer of 2009, and pinpointed a particularly pain point. "We saw challenges for businesses big and small being able to grow and have access to technology capital. So we looked at the market and what we said was 'how do we make it much easier for businesses to find and use the cloud of applications they need to make them more productive and collaborative?'" says AppDirect co-founder and CEO Daniel Saks.

"That was the pain point that we wanted to solve in the early days and the ecosystem was about making it tremendously easy for a business to remain competitive by providing them with the technology they need to thrive," he adds.

AppDirect now partners with companies such as Samsung, Deutsche Telekom, Rackspace and Appcelerator, powering their cloud marketplaces. AppDirect generates recurring revenue on a per-app sold basis.

The company recently raised a Series C funding round worth $35 million, bringing its total funding to $60 million to date. Peter Thiel's Mithril Capital Management led the round, which was closed in April of this year. "AppDirect has created a new category of software that makes technology intuitive and easy to use. Thanks to AppDirect, what we used to call the cloud is solidifying into a concrete and useful resource for countless businesses," said Ajay Royan, Co-founder and Managing General Partner at Mithril Capital Management. "We invested in AppDirect because we think its rapid growth, constant innovation, and foothold in several industries mark the potential for durable growth as well as transformation of the software economy. Our investment will help AppDirect grow its team and service in order to drive its global impact as a major player in the cloud space."

The company's clients are equally excited. "We chose to work with AppDirect based on the strength of its technology and the agility of its team. They have an innovative platform that supports a range of advanced features and functionalities," said Kevin O'Toole, Senior Vice President at Comcast.

With the market opportunity only expanding, AppDirect hopes to continue its fast-paced growth. Gartner has defined the cloud service brokerage market, which is where AppDirect operates, as the fastest growing segment of cloud, a larger industry experiencing spectacular and rapid growth. The company is currently dominant in the U.S. and Europe and is starting to make major inroads in Asia and Latin America as well. AppDirect is also expanding from within, and it adds new features to its platform regularly.

Now the company's greatest challenge is acquiring the talent needed to continue this growth. "We put a lot of focus on hiring people that have our cultural values and what we have to focus on is attracting the best people to help our growth," says Saks.

AppDirect has all the ingredients a vastly successful technology company needs – a strong position in a fast growing market, the backing of renowned and respected investors, a product that is used by some the world's largest companies, recurring revenue and a strong philosophy geared towards success. "We really want to build a long term enduring brand," says Saks. That may be the same goal is almost every technology company, but with AppDirect, it's entirely believable to the point of being almost inevitable. RH

Applied Predictive Technologies

predictivetechnologies.com

Anthony Bruce

Cloud Computing

Virginia

Yes

» When making a big decision, organizations typically hire consultants to weigh up the scenarios and then forge ahead in a particular direction. But the problem has always been relying on the opinion of a consultant who doesn't necessarily have the facts or the micro data needed to make an effective or even correct decision.

It was this lack of critical data, found across a range of scenarios, which brought about the creation of APT, according to Scott Setrakian, Managing Director.

"Jim Manzi (Chairman), Anthony Bruce (CEO), and I had been management consultants for many years and we had created quite a bit of success using the principles of test and learn for our clients," he explains.

Setrakian adds that the insights were "significantly different and better", but the work was "brutally hard to do by hand."

"Our belief was by committing to a software solution we could provide better, faster and more efficient analysis."

But the decision to go 100% cloud-based, which was incredibly controversial in the early 2000s, was essentially forced upon the company. Setrakian explains that a "very prestigious company" thought the APT solution was fantastic, but they needed it to be cloud-based if they were going to adopt it.

Fortune was shining on APT, as it brought the company into the cloud domain way ahead of any competition in its sector. It is now hosting more than 20% of the U.S. retail sector and the tech is upgraded every 60 days, so Setrakian is confident ATP has the "competitive lead."

In terms of competition in the marketplace, he says "it's been a really big change from when we started out."

"It's so darn frustrating to get it right," he continues. "You can certainly hire a team to give a one-off solution, but it's a much more expensive approach than APT."

A prime example of a successful deployment of the APT Test & Learn Solution is a massive brand re-launch undertaken by the Holiday Inn chain of hotels.

With dozens of elements, the management team needed to know which components worked best and where to roll them out. APT's software was brought in to measure "the cause-and-effect relationship between each component of the refresh and profits", Setrakian explains.

The software accounted for hard-to-measure factors, such as disruption and ramp-up periods and was therefore able to identify a combination tailored to each location, based on competitive environments, guest profiles, property conditions and other factors.

APT says the analysis guided $1 billion in capital investments, greatly improving the program.

Of course the software may provide insights that will indicate the need to shelve a plan, even if the company has already invested time and money. But this means sensible companies can pull back from the brink of a potentially disastrous decision, no matter what the sector.

With each new industry comes different packaging for the product, Setrakian explains.

"The base code set is the same for all industries, but it does have to be organized and wrapped in a way that addresses the specific business realities for each sector," he says.

Customers seem more than satisfied across a wide range of sectors. Choice Hotels Senior Vice President of Performance Analytics, says the hotel business is dramatically changing with the advent of new technology, new industry participants and new channels for booking hotels. "This new environment provides great opportunities but potential risks/costs as well," the Senior VP said. "APT's ability to accurately predict the impact of various decisions helps us foster confidence before rolling out strategic ideas in the quickly changing hospitality industry."

Moving forward, APT is pushing hard in multiple directions in its growth efforts. A new office opening is imminent and the company is continuing to press into new industries. New products are also being developed, including an index that pools the vast amount of data from multiple clients. The information is highly confidential, but it allows retail companies to pin point near up-to-the-minute data on a micro scale, while offering incredible early reads on how the economy is doing.

The company has been profitable for the last decade and with continued growth, 300 employees and offices around the world, APT is looking to build on its incredible success. RH

appsFreedom

www.appsfreedom.com

Vaidy Iyer

Cloud Computing

Arizona

Yes

» It has long been clear that the best and most useful apps, whether used within an organization or offered as a service to clients, are all built especially with the company's purpose in mind. This has led to many organizations scrambling to employ coders and programmers to create the perfect app.

Not only is it an expense, but there is often a lack of expertise in understanding who to employ and how to check their credentials. Vaidy Iyer, Founder and CEO of appsFreedom, says that when he picked up his first iPhone in 2007, he immediately realised the potential for enterprises using the device.

Then companies started looking for business applications in an app-store world that was almost entirely focused on consumers. This was when Iyer decided to do something about it and appsFreedom was founded in 2009.

"The sole purpose [was] to enable enterprises to 'very easily' build their business applications for access on the go," he explains. "Then the iPads and tablets came into market and the need to access business information across various mobile devices only rose exponentially. We continued investing in our technology to meet this need and now provide an end-to-end app development platform for enterprises to very easily build business applications for any device."

The common difficulties encountered when attempting to develop business applications include the technical complexity, available resources and required knowledge. The company aims to counter these issues by providing a simple platform that creates robust apps for non-app designers.

"The appsFreedom Platform literally guides them through the app-building process by starting with the end-user experience and then the business logic and backend Integrations to build an app," Iyer says.

The market is actually "more confusing than competitive", according to the CEO, as there are so many vendors that provide bits and pieces of the puzzle. There are vendors that provide cross-platform mobile apps capability but do not address the enterprise backend/security/integration needs, for example.

Iyer claims that the appsFreedom service is the only platform that addresses all the components needed in a comprehensive manner. But there are a number of competitors in the market, including Appcelerator, as well as various backend-as-a-service vendors, but they are certainly varied in their capabilities and offering.

Iyer adds that "being a disruptive player in an upcoming marketplace is never easy."

"Our biggest challenge is the crowded and confusing marketplace, dispelling market confusion on what is real and complete and educating the customers on the missing pieces of the puzzle," he continues.

Ron Bertram, Business Applications Manager at Quality Systems and Nextgen Healthcare Information Systems, says through using appsFreedom's mobile technology the company "successfully deployed a Time Entry app to our user community, providing improved user experience and the potential for increased productivity".

And Brian Burns, managing partner of Grayhawk Capital, explains that "allowing non-professional developers to build and customize their own apps without the I.T. department worrying about them breaking things has a lot of appeal to many companies".

According to Iyer, one of the things appsFreedom does differently is let non-professional developers create the apps. They don't even need to know any programming as the platform generates the required pieces of the app.

"It can be as sophisticated as they want so they can go and write code, but you can still customize by drag and drop," he explains.

The company has just released the next generation of the platform, boasting its largest capability to date.

"appsFreedom v4.0 is the most advanced and comprehensive enterprise app development platform for citizen developers available today," says Iyer.

"Enterprise app development is optimized when the organization can harness the knowledge and creativity of every team member, and we are truly excited about enabling IT to leverage its non-programming workforce and accelerate its delivery of apps."

Most of the platforms available today lag behind in two areas: their solutions are often costly and time-consuming, or they don't empower citizen developers – the non-programmer user that appsFreedom makes a point of embracing.

The CEO argues that organizations see tangible savings almost immediately, as IT departments are unburdened and the need for outsourced programming expertise is eliminated.

He adds that case studies reveal that appsFreedom enables many IT departments to triple their efficiency, while transitioning to a mobile-centric organization saves 22 days of user productivity annually.

Furthermore, the company plans to let software business vendors build SaaS, mobile-centric applications out of the box.

With an easy to use, robust and secure platform, businesses are increasingly seeing the benefit of companies such as appsFreedom.

Apttus

www.apttus.com

Kirk Krappe

Software

California

Yes

» Apttus is an enterprise software company that has created a platform for automating the entire sales lifecycle of an organization. From pricing to creating a quote, to the negotiation and signing of a contract, to the management of invoices, billing, orders and revenue recognition; a business process that connects a customer's interest in a purchase to the realization of revenue, otherwise known as 'quote-to-cash'. Apttus is seeking to redefine the quote-to-cash corner of the enterprise software market.

"We are the first ones to do quote, contract and revenue together. First to see it as one integrated process when traditionally it has always been as different and treated separately. Now the competition is chasing us," says Kirk Krappe, CEO, Apttus.

Apttus works within Salesforce.com — the widely used, cloud-based Customer Relationship Management (CRM) software system that manages a company's interactions with current and future customers. For company's already using the Salesforce.com software platform to organize, automate and synchronize their sales, marketing, customer service and technical support, Apttus is a software service available within Salesforce.com that extends a similar kind of automation to the price quoting, contract management and billing processes.

Apttus was founded in 2006 by Krappe, Neehar Giri and Nathan Krishnan — three experienced enterprise software guys who had been seeing the whole Software-as-a-Service (SaaS) movement take off and wanted in. Their earlier startup, called Nextance - an enterprise software company providing contract management software, had raised $60 million in venture capital and failed. Keen to use their domain knowledge to become a part of the SaaS movement, and equally keen not to repeat their experience with VC money, they founded Apttus as a cloud-based contract management company and decided to initially bootstrap it.

Using no VC money meant keeping development costs low and the solution they found was building their company on the Salesforce.com's platform. A solution that also gave them an edge.

"We have the most advanced infrastructure on the planet because we run on the Salesforce infrastructure. From a pure delivery standpoint, it's a huge advantage," observes Krappe.

The delivery advantage comes from Salesforce.com's own customer base and the ease of adoption for anyone already using the Salesforce platform. So for instance, for a Salesforce.com user looking to automate their quote-to-cash business process, it becomes simply a matter of unlocking a service available within the platform they are already using. No need to have three different software platforms managing quote, contract and revenue, and then worrying about how they integrate with each other and with the Salesforce platform already in use.

"It's a very competitive market – a lot of ankle-biters. But we have a high win rate and are the de-facto leaders in this space. In contract management we are the gold standard. We've woken the marketplace up," says Krappe. With over 300 employees and customers such as Google, Dell and Delta Airlines, Apttus is now a leader in the quote-to-cash management market.

"There are two principal barriers to entry in this business. Technology and domain expertise. We have 13 patents filed. Our goal has been to file one patent per quarter. And it takes time to build these applications. And it isn't easy. Rebate management for instance is extremely complicated. It's a business that is very domain deep," Krappe adds.

At the end of last year, Apttus raised $37 million from K1 Capital, ICONIQ Capital and Salesforce.com. "We decided 18 months ago not to make profitability a constraint. We are open to more investors in the future but are not actively looking for it right now."

Krappe puts the global market opportunity for Apttus conservatively at $15 billion a year. "Our GAAP recognized revenue has grown year-on-year at 100% over the last three years. We have acquired 500,000 users globally. Our main concern is to make infrastructure available to continue this growth. We are looking for acquisitions opportunities to acquire domain expertise." Apttus is in the midst of extending its operations in Japan and Latin America, in addition to its current operations in U.S., Europe and India.

Neil Malik, managing partner, K1 Capital says, "We are pleased to have the opportunity to invest in a category-defining company with impressive growth, a deep bench of loyal customers and huge potential for expansion. It is exceptional for a SaaS company to achieve such great success (even) prior to a first funding round and clearly demonstrates the execution capability of its management team. We're looking forward to working with Apttus as it delivers on its vision." RH

Argos Therapeutics

argostherapeutics.com

Jeffrey Abbey

Life Sciences/Biotech

North Carolina

Yes

PUBLIC

» Many companies make the claim that their product or service aims to change lives. But very few can legitimately live up to that claim. Argos Therapeutics, which develops treatments for cancer and HIV, most definitely can.

Argos Therapeutics has two major products which have been developed using its fully personalized therapy platform technology, Arcelis. Using the platform, the company creates patient-specific products, using patient materials. The company's lead product is called AGS-003 and is designed to treat kidney cancer. AGS-003 is currently in the trial stage and final data from the trials is expected in mid-2016.

The second treatment, called AGS-004 aims to tackle the HIV virus. This product is in two different stages of clinical trials. The goal of one of the trials is to allow HIV-infected teenagers to become independent of the current cocktail of drugs used to treat the disease. The second goal is to eradicate the disease altogether.

The teenager study selects young people who have been treated with the standard HIV drugs all of their lives, but have not built any kind of immune response to the disease. The goal for Argos Therapeutics is to stimulate the immune system to battle the disease. The other trial, which does not require a control group, will look to cure the patients with HIV completely, - a potentially breathtaking breakthrough.

"With AGS-004 I think we believe we have a good basis for the possibility of eliminating the virus, even if we do in one patient it will be a huge game changer in HIV treatment. But it is a high hurdle and we acknowledge that," says Argos Therapeutics CEO Jeff Abbey.

The study to provoke an immune response in teenagers is at Stage 2B trials, while the complete eradication product is at 2A.

Aside from making potentially life-altering technology, Argos Therapeutics has also developed an efficient way to manufacture the treatments. "With the automated processes in place on a per dose basis we can get the cost to be comparable to a typical biologic product like an antibody or a protein. We're talking in the few hundred dollars per dose range," explains Abbey.

That will bring the kidney cancer drugs down to a competitive rate, but HIV drugs are now even cheaper, which is why the company has attempted to make the biggest disruption in that space possible – cure the disease entirely.

The only personalized kidney cancer treatment therapy which has been FDA approved is Dendreon. Abbey reports that the company producing the drug brings in hundreds of millions of dollars in revenue, but because it has not developed a cost efficient manufacturing process, the firm has struggled. Other therapies in development are not at the same advanced stage as Argos Therapeutics' offering. Abbey is unaware of any attempt to personally treat the HIV virus in the same way Argos does.

In February this year Argos Therapeutics raised $45 million through a public offering. "Our strategy is to manufacture and commercialize AGS-003 in a minimum in North America and potentially in Europe as well. To fund the Phase 3 trial and prepare for commercialization, we felt like we needed to be a public company. It's a capital intensive business obviously," explains Abbey.

"That was the rationale. We would like to partner HIV with a major pharma company but we still might end up being the manufacturer of AGS- 004. When the IPO window really burst wide open in 2013 for biotech, once we completed our private financing in 2013, we quickly decided to file and prepare for the IPO."

Recent research by Decision Resources Group predicted that the wider immunotherapy market will grow to be worth $9 billion in the world's major pharmaceutical markets by 2022. That figure applied to the U.S., France, Italy, Germany, Spain, the U.K and Japan. "A plethora of immunotherapies are in development across a wide range of oncology indications, making this drug class one of the most exciting to watch," said Decision Resources Group Senior Business Insights Analyst Khurram Nawaz.

Argos Therapeutics has benefited from its public listing. Abbey states that as CEO, his time is no longer spent raising money and he can focus more on the task in hand. "We still have over two years of cash in the bank and that's a strong position for a biotech company to be in," he states. The clinical trials currently being performed by the company are important for the business, the shareholders, and for millions of people all over the world suffering from these diseases. RH

Aseptia/Wright Foods

www.WrightFoods.com

Michael Drozd

Clean Tech

North Carolina

Yes

» Aseptia's patented technology allows the production of shelf-stable food products that maintain flavors and nutrients of fresh foods.

The company, based in North Carolina, utilized technology which was developed at North Carolina State University and is also known by its manufacturing subsidiary's name, Wright Foods.

Aseptia closed a $28 million Series C funding round in March, from investors including Lookout Capital, SJF Ventures, Prudential and F.B. Heron Foundation. The financing was used to fund operations and enable the company's growth plant.

"We are grateful for the opportunity to invest in Aseptia and look forward to working with the company's team," said Merrette Moore, Founder and Managing Director of Lookout Capital at the time of the funding. "We believe the company's technology and process have revolutionary implications for the food industry."

Aseptia's process saves energy, packaging material and distribution costs, and maintains a 12 month shelf life for food. The company opened a food manufacturing facility in North Carolina in 2012 and produces a range of food products including vegetables, soups, tomato products and fruit sauces.

"We are excited to have Lookout Capital, Prudential, and the F.B. Heron Foundation join the investor group as Aseptia continues its rapid expansion to meet the market demand for its game-changing technology," said David Griest, Managing Director of SJF Ventures.

The Aseptia technology obviously has benefits far further afield than the technology sector, and has the potential to lower food costs, increase health and reduce malnutrition. A healthier, cheaper source of food could potentially reduce healthcare costs and tackle poverty. The company recently removed its CEO, although Dr. Josip Simunovic is still involved. RH

Atlantis Computing

atlantiscomputing.com

Jason Donahue

Virtualization

California

Yes

» In an age where data and real time information is king, it's little surprise that there is a clamour among enterprises to attain as much of it as possible. The problem with this data-heavy gold rush is where to store it all and how to make it function when you need it.

A common solution when a system bogs down is to purchase more storage, but that's an expensive and inefficient response.

Atlantis Computing, founded in 2006, not only addresses storage problems, it is at the heart of the sector as it drives a transformation likened to the impact virtualization had on compute.

Its software solution, Atlantis USX, optimizes the use of data center storage by virtualized desktops and servers, automates large scale deployment and management, thereby lowering implementation risks.

The company has had a busy year, including the appointment of Jason Donahue as CEO and president.

It also announced its next-generation Atlantis USX™ (Unified Software-defined Storage) solution, Atlantis USX 2.0, purpose-built for virtualized server workloads such as databases, mail, collaboration, big data and any line of business application.

Customers, which include JPMC, the US Army and Colt Technology Services, praise the technology for its ability to provide flexibility while enhancing performance levels.

"The latest version of Atlantis' software is incredibly fast," asserts Michael Poulin, manager, network services, Mid Coast Hospital.

"We are able to deploy 70 linked clones per server in 12 minutes, and we can do that on all servers at the same time to scale to an unlimited number of users with no performance impact."

The company, which employs more than 170 people, recently launched its new brand identity and, according to Donahue, it has "gone extremely well".

"The way we previously were positioned in the market was largely around the solutions we provided into the end user computing and VDI market, whereas we're addressing the much larger market of storage for enterprise server applications now," he says.

"If you step back and look at what we do, we are a software defined storage platform that basically delivers two things to the enterprise - we accelerate performance of new or existing storage up to 10 times and we expand the effective capacity up to 10 times, and we do both of those concurrently."

This, of course, significantly increases the value of storage. An example of this is a bank that is working with Atlantis that was spending $97 million a year purchasing storage and decided to outsource because its storage requirement was growing at about 20% per year in terms of cost. Within five years it was expecting to be spending $200 million on storage, an untenable amount.

"With our software, they can reduce that storage spend over five years by about $400 million," says Donahue.

"That's one example. Another one is if you are deploying a new application environment, let's say a database app or VDI, we allow you to deploy on a much smaller footprint than you would otherwise need which takes the TCO (total cost of ownership) down very significantly," he explains.

"Using our software on top of disk-based infrastructure is much cheaper than buying flash to solve a performance problem."

Atlantis Computing is currently privately held and funded by Adams Street Partners, Cisco Systems, El Dorado Ventures and Partech Ventures.

In 2010 it made $10m in C-round funding, which was complemented in 2013 by $20m in its D-round. Adams Street partners led the investment, although others added to the pot.

Year-over-year bookings increased by 80%, and more than 100 new customers were added in H1, while over 60 new partners were brought on board worldwide.

"Growth has been consistent through the year, I have very positive expectations for Q4 and I think we will continue that level of growth through the end of the year," says the CEO.

The company has expanded the workloads it can address significantly as, while still servicing end user computing and VDI, it has expanded its addressable market to storage for server applications.

Investors are confident with the direction of the company as Nicolas El Baze, partner at Partech Ventures, says they are building a larger company to push beyond VDI into its "next incarnation".

"We're among the companies in the space that have raised the least, that's because the company has been extremely efficient and has been generating significant revenue, and so we haven't needed as much funding as some of the competitors," he asserts.

"People in the space have a hardware component to their offering, this is a pure software company, and the funding need is a little lower and the margins are quite a bit better."

And going forward he expects it's going to be a more competitive space where Atlantis has a "very unique software-only approach".

"There's always a trade-off for the CIOs between going with the established proven maybe not so technologically advanced solution or taking a risk on something new from a smaller vendor," he says.

"Different companies will have different attitudes toward taking that risk. But we'll see, we're confident.

"When you look at smart phones, desktops, servers, applications, there's clearly an overall trend of putting more and more value in software versus hardware because that's where you can gain the most flexibility and agility."

Big data is another space Atlantis is addressing for clients, who have approached the company looking for Hadoop-related solutions.

"Basically for those environments we will allow two things: we will allow Hadoop to be run with a reduced storage footprint of 50% to 90% and the customer can still l get the same benefit from the Hadoop environment," Donahue explains.

"The second thing is it will increase the performance of the jobs that are running in Hadoop. Hadoop is not as performance sensitive as some other environments, but it is meant to provide real time insight to enterprise to the extent you have storages perform faster it's going to make the big data environment more valuable to the business."

Moving forward, Donahue believes there is an opportunity to build a company "that is the size of the VMware" with a similar impact on storage as VMware had on the compute space.

"That's really our aspiration as an organisation and storage today is roughly a $40 billion a year market, but more important the amount of deployed storage that is currently in enterprise is about $240 billion, so its roughly six years of storage purchases and that's true at any given time," he adds.

Atlantis Computing is currently in the process of closing $15.5 million worth of bank debt financing and funds are being utilized in the geographical expansion of the company.

"In 2015 the goal is really to cover Europe much more comprehensively and in particular I think we need to have a much larger presence in central and Eastern Europe. We probably do south of $2 million a year in that region, maybe even south of $1.5 million and that should be a much bigger business for us," Donahue says.

"In the UK we will do north of $10 million this year and we should be doing at least that in central Eastern Europe and so that is going to be a big investment area for us and the same thing goes for Japan.

"It's the world's second largest IT market and we will do less than a $1 million in Japan this year so we need to invest more aggressively in that market."

There is also talk of a role out in 2015 of a freemium product and there will also be a focus complementing the trend for hyper-converge storage via an OEM offering.

"I think that hyper-converged OEM is going to be a big part of our business moving forward and we are currently working with a number of vendors to sort of bring different products to market such as all flash hyper-converged appliance and hybrid flash hyper-converged appliances etc. that are going to be targeted to different use cases for different markets," Donahue explains.

With solid foundations and an aggressive expansion plan in a rapidly evolving sector, the Atlantis CEO is going to be more than busy, so why did Donahue decide to join the company?

"This one's easy. Atlantis is the most interesting company by far that I have ever run, because first of all Atlantis has very unique and very important intellectual property - it was the main reason I came to Atlantis," he asserts.

"We have patents that allow us to do things that nobody else in the industry can do. We can get far better performance acceleration and capacity expansion than anyone else and we do both those things together whereas normally vendors do one or other and that's because of our IP."

He also believes that the storage market is going through the same transformation that compute went through about 12 years ago with virtualisation.

"The difference is it's happening much faster in storage than compute because enterprises have already seen the movie," Donahue says.

"Also the reasons for it are more compelling in storage since it's more being driven by economics than by flexibility which is what drove virtualization in compute."

"I think we are right at the centre of the transformation of the storage business which will accelerate over the next few years so this is a very exciting time to be in storage and I really like where we sit in the market." RH

Avere Systems

WWW. www.averesystems.com

CEO Ronald Bianchini

Big Data/Storage

Pennsylvania

Yes

» While more and more companies are waking up to the advantages of heading to the cloud with their data, more are hesitant to consign all of their important information to a public storage medium. In fact, according to an Iron Mountain study, up to 46% of companies - affectionately called 'server huggers' - are still insistent on keeping their data where it can be seen.

However, says tech writer Jamie Hinks, the number of server huggers is on the wane. "Slowly but surely the server hugger culture is on the way out with 37% of respondents opting for a hybrid solution that includes tape, disk and cloud storage, and 8% ready to implement a cloud strategy in the coming 12 to 24 months."

Ready to capitalize on this move away from physical servers to a hybrid set-up is Avere Systems, a Pittsburgh provider of storage for the hybrid cloud. Founded in 2008 by MIT alumnus Ron Bianchini Jr, the company offers a wide range of Network-Attached Storage (NAS) solutions for industries as diverse as media and entertainment, oil and gas, life sciences and web hosting.

Companies are using an ever-increasing amount of storage to deal with data, much of which is redundant or inactive. Avere's hybrid answer allows firms to deliver on storage needs without "overprovisioning of storage capacity to achieve performance." In other words, the company makes NAS simpler and more scalable.

"Before Avere, when companies needed more performance from their storage, they had to buy capacity as well even if they didn't need it," says Bianchini. "Storage arrays were monolithic in nature, the distributed revolution that changed the way processing power scaled somehow passed the storage sector by for years.

"Until Avere, our Edge filers were the first storage products on the market that allowed companies to scale performance independently from capacity and to do it on a pay-as-you-grow model," he adds. "So our customers get better performance at a lower cost, and they have the freedom and flexibility to store that data where it makes the most economic sense whether that is within their four walls or in the cloud."

Bianchini, who has a deep history in the storage realm and over two dozen patents to his name, is doing plenty right: Avere has thus far accumulated $57 million in funding since 2010, the latest of which was a $20 million injection in July this year, from five VCs including Tenaya Capital and Norwest Venture Partners. "Our VCs continue to be bullish about our future and excited about the cloud," he says.

Among Avere's biggest successes have been its uses in the film and television industry, where its ability to eliminate latency and performance problems have seen uptake by famous names including Dreamworks and Framestore. The latter, which employed Avere's products to support its effects in the 2013 movie Gravity, which starred Sandra Bullock as a stranded astronaut, won that year's Academy Award for Best Visual Effects.

Bianchini acknowledges that Amazon and Google, with their "massively efficient data centers using commodity components and open-source software," have precipitated a sea change in the storage industry. "But there are challenges, such as what data should stay with the company and what should reside in the cloud, how to get the data there, how to manage it once it is in the cloud, etc," he says.

"The days of vendors selling huge storage arrays and companies continually building out new data centers to store every bit of data are numbered, it makes no economic sense," adds Bianchini. "So you will see the continuing rise of newer storage companies such as Avere that partner with cloud providers to help enterprises make the transition."

This year the goal for Avere is simple: grow, and grow big. Bianchini is targeting the company's biggest annual growth yet, as it continues to change the economics of data storage: "Avere is my third company and the best yet. My other two companies were acquired at a much earlier stage, so I did not get to go through the growth phases we have had at Avere. It's very rewarding to see a problem, come up with an idea to solve it, build out a product and company to bring the solution to market and then see the solution in deliver tangible business benefits with customers. RH

Become

www.become.com

Alex Terry

Internet/Online

California

Yes

» Product ads have taken a while to get popular. But now it seems everyone wants in. Google is, of course, king. But in March Bing began its own product ads service, and in August Jeff Bezos' Amazon announced plans to tackle the market. Better late than never, it seems, for these web giants, whose plans have cemented the use of product ads as an increasingly lucrative model.

"Google is by far the dominant player in search, and Amazon would surely face challenges scaling its own system to compete," says expert Zach Miners. "But the platform, should it eventually launch, could be a big success for Amazon, given all the information it has on people's online shopping habits," AdWords has become Google's main source of revenue, amid total advertising revenues of $50.54 billion in 2013. The first two quarters of this year have yielded over $28 billion, suggesting another substantial growth.

Alongside Google, Become Inc., a Sunnyvale, California-headquartered performance marketing and software as a service (SaaS) company has seen its product ads utilized by over 500 other partners, and 40,000-plus merchants. The company's platform processes 250 million offers each day and publishes 90 million product ads. For those merchants it is a simple case of increasing sales. But for its partners, Become's ads allow them to monetize web, mobile and app traffic, and to integrate and customize their own catalog.

This year alone Become has penned deals to move into Australia - and China, where CEO Alex Terry once lived. Other cities covered include Milan, Tokyo and Karlsruhe, Germany. The company's current invested capital stands at $37 million. Become has a stable eight-figure revenue, and a CAGR of 55%. It generates over 70% of its revenue outside the U.S., which is only partially attributable to its jet-setting CEO. The company now has five offices in seven countries across four continents and employs over 130 staff who speak ten languages.

"Become was initially started in 2004, not just on comparison but research on products," says Terry. "The strategy is very different now. For the first two or three years the strategy was around a consumer destination that allowed you to research and compare. That worked quite well and the company made two acquisitions in 2009. So in five years it grew to become a substantial company, and we did a joint venture with an investor in Japan who owned half.

"Then in 2009 we bought out the other half and took complete ownership," he adds. "Then we bought a German company called Pangora, which had a completely different business model. Whereas the U.S. business focused on building a consumer destination, like MySiren or XTag, the German model was the opposite. They had collected information from merchants, but then were powering shopping on other websites. It brought in some core technology that allowed the company to expand shopping experiences on other websites. When I joined, I moved in that direction. I changed the strategy to focus on product ads."

Become is backed by a host of VC and private equity investors, including TPG, Transcosmos, European Founders Fund, Ron Conway and many others. Raising money hasn't always been easy, admits Terry. But he credits Michael Yang and Become's other founders for making its initial raise easier than most. Terry himself, a veteran executive of companies such as Zoomerang, NeoEdge Networks and Time Warner/AOL, was brought on board in

May 2012, "to review the strategy, upgrade the team and turbo charge growth."

Immediately, Terry began to focus on expanding into new territories. He had lived in China previously, and speaks the language - so it became one of his top priorities for Become. Since his arrival the company has also opened offices in France and Australia. And while he doesn't deny that coding for new languages is tough, it is far easier after the first innovation. "One of our most successful places is Japan, of course. So double system coding has already been done. It's hard to go from one language to two, but when you're at six it's not that hard to do seven. It's work, but the overall system is there in a hub-and-spoke way."

Terry's background is in SaaS and subscription services, and he claims to have brought an appreciation of that business model to Become. Now, with the company growing strongly and posting good numbers, Terry wants to see progress made with new products that were launched in 2013 - particularly SaaS offerings. And, of course, he wants to keep moving into new territories. Like [to] many software CEOs, to Alex Terry's blue sky thinking often means flying towards the next business frontier.

BeyondTrust

www.beyondtrust.com

Kevin Hickey

Security

Arizona

Yes

» Some pain points are glaringly obvious; others less so. For Kevin Hickey, CEO of BeyondTrust, the pain is in the numbers - lots of them - that show how organizations need their help with security. Three in particular illustrate the security chief's confidence in BeyondTrust's products: 78% of all intrusions into a system are 'low difficulty'. 80% of I.T. decision-makers believe it's at least somewhat likely that employees access sensitive data out of curiosity. And 52% of IT practitioners say their organization assigns privileged access rights that go beyond the individual's role.

And then there's the cloud, and its growing ubiquity. "To ensure companies are adequately securing their cloud resources, it's critical to track what employees are doing and creating proactive alerts for suspect activity," says Hickey. "There is also a need for granular access control for Hypervisor level privileges - who can start which VMS, who can do what with which VMS, etc. Lastly, these technologies must provide fine-grained privileged access to enable least privilege across the cloud and virtual stacks."

BeyondTrust employs a collaborative approach to reducing risk. First there are the external risks: applications and data; workstations and servers; network perimeter and cloud, virtual and mobile. Then there are a number of internal issues including shared accounts; super-user accounts; applications accounts and administrative privileges.

Two wings of the BeyondInsight package: PowerBroker and Retina, both combine to combat all of the aforementioned leaks in an organization's security. BeyondInsight offers visibility and risk reduction to all corners of a firm, and including contextual reporting and analytics.

The Phoenix, Arizona-headquartered firm has around 200 employees, and over 4,000 customers. Among its financial highlights BeyondTrust's Q1 2014 business growth approached 30% year-on-year, and its EBITDA margins reached 40%. 2013 represented the firm's fourth-straight year of profitability, as it looks beyond this year's Red Herring prize and towards a future of market leadership in vulnerability management systems (VMS) and privilege account management (PAM). BeyondTrust "anticipates to grow faster than overall market rates - 13% and 26% respectively," says Hickey.

BeyondTrust was officially founded in 2006. But Symark, from whence it was formed, began operations in 1985, when it built a solid customer base as an open virtual memory system firm in California's San Fernando Valley. In 2009 the company's history went full circle - or at least half-circle - when Symark acquired its Windows-based business for $20 million. But BeyondTrust has become very much a key player in its own right: its customers include eight of the world's 10 largest banks, for example.

And with distribution deals being signed in every corner of the world - such as with Australian brand Hemisphere Technologies - BeyondTrust is going way beyond its U.S. home. "The solutions BeyondTrust provides have been tested across the highest levels of U.S. Government, aerospace and military organizations and resulted in great success," says Hemisphere Technology managing director Peter Phokos.

With a Red Herring award in the bag, and deals being signed all over the world, what lies beyond for BeyondTrust? Hickey wants the firm to become the premier provider of context aware security. And the company is literally building for the future with its college intern program, which the CEO feels will help it grow on all fronts. In the coming years, BeyondTrust will endeavor to bring more advantages to its employees.


In the new mobile enterprise
Decisions are made faster
Employees are more productive
Customers are happier
How will you get there?
MobileIron
Start Your Mobile First Journey
www.mobileiron.com

Bluebeam Software

www.bluebeam.com

Richard Lee

Software

California

No

» It has long been clear that the best and most useful apps, whether used within an organization or offered as a service to clients, are all built especially with the company's purpose in mind. This has led to many organizations scrambling to employ coders and programmers to create the perfect app.

Not only is it an expense, but there is often a lack of expertise in understanding who to employ and how to check their credentials. Vaidy Iyer, Founder and CEO of appsFreedom, says that when he picked up his first iPhone in 2007, he immediately realised the potential for enterprises using the device.

Then companies started looking for business applications in an app-store world that was almost entirely focused on consumers. This was when Iyer decided to do something about it and appsFreedom was founded in 2009.

"The sole purpose [was] to enable enterprises to 'very easily' build their business applications for access on the go," he explains. "Then the iPads and tablets came into market and the need to access business information across various mobile devices only rose exponentially. We continued investing in our technology to meet this need and now provide an end-to-end app development platform for enterprises to very easily build business applications for any device."

The common difficulties encountered when attempting to develop business applications include the technical complexity, available resources and required knowledge. The company aims to counter these issues by providing a simple platform that creates robust apps for non-app designers.

"The appsFreedom Platform literally guides them through the app-building process by starting with the end-user experience and then the business logic and backend Integrations to build an app," Iyer says.

The market is actually "more confusing than competitive", according to the CEO, as there are so many vendors that provide bits and pieces of the puzzle. There are vendors that provide cross-platform mobile apps capability but do not address the enterprise backend/security/integration needs, for example.

Iyer claims that the appsFreedom service is the only platform that addresses all the components needed in a comprehensive manner. But there are a number of competitors in the market, including Appcelerator, as well as various backend-as-a-service vendors, but they are certainly varied in their capabilities and offering.

Iyer adds that "being a disruptive player in an upcoming marketplace is never easy."

"Our biggest challenge is the crowded and confusing marketplace, dispelling market confusion on what is real and complete and educating the customers on the missing pieces of the puzzle," he continues.

Ron Bertram, Business Applications Manager at Quality Systems and Nextgen Healthcare Information Systems, says through using appsFreedom's mobile technology the company "successfully deployed a Time Entry app to our user community, providing improved user experience and the potential for increased productivity".

And Brian Burns, managing partner of Grayhawk Capital, explains that "allowing non-professional developers to build and customize their own apps without the I.T. department worrying about them breaking things has a lot of appeal to many companies".

According to Iyer, one of the things appsFreedom does differently is let non-professional developers create the apps. They don't even need to know any programming as the platform generates the required pieces of the app.

"It can be as sophisticated as they want so they can go and write code, but you can still customize by drag and drop," he explains.

The company has just released the next generation of the platform, boasting its largest capability to date.

"appsFreedom v4.0 is the most advanced and comprehensive enterprise app development platform for citizen developers available today," says Iyer.

"Enterprise app development is optimized when the organization can harness the knowledge and creativity of every team member, and we are truly excited about enabling IT to leverage its non-programming workforce and accelerate its delivery of apps."

Most of the platforms available today lag behind in two areas: their solutions are often costly and time-consuming, or they don't empower citizen developers – the non-programmer user that appsFreedom makes a point of embracing.

The CEO argues that organizations see tangible savings almost immediately, as IT departments are unburdened and the need for outsourced programming expertise is eliminated.

He adds that case studies reveal that appsFreedom enables many IT departments to triple their efficiency, while transitioning to a mobile-centric organization saves 22 days of user productivity annually.

Furthermore, the company plans to let software business vendors build SaaS, mobile-centric applications out of the box.

With an easy to use, robust and secure platform, businesses are increasingly seeing the benefit of companies such as appsFreedom. RH

Cinsay

www.Cinsay.com

Christian Briggs

Software

Texas

No

» According to Christian Briggs, CEO of Cinsay, "1% or 2% difference in conversion rates can mean millions of dollars to retailers." Thankfully for those retailers, Cinsay integrates video on demand with e-commerce, merchandising and marketing.

The company's solution, the Smart Store, is an embeddable, shareable and portable video player inside which products can be sold, leads can be generated and donations accepted. In addition links can be added to anywhere.

The Smart Store is editable on any website which users can edit the html code upon. Videos can also be posted on Facebook without the loss of functionality, and Facebook users can purchase products via the video. Prices, shipping rates and quantities of items can be leveraged through the store manager.

Cinsay is headquartered in Austin, Texas, with additional offices in Los Angeles and Dallas. It currently employs around 100 staff. The firm was founded in 2007 in Los Angeles, by Christian Briggs, a seasoned businessman with over 25 years of experience in hard asset management. Briggs has specialized in rare antiquities such as coins, books and classic cars - but he has also made significant investments in technology and entertainment startups.

It is little surprise, therefore, that Cinsay has seen much of its business in the entertainment industry. Since signing a deal with global sports and media business IMG in 2011, Cinsay has provided its video platform and e-commerce to a wide array of stars and leading companies, including Chevron/Texaco, Chicken Soup for the Soul, the World Series of Poker and talk show host Montel Williams. This year the firm landed one of its highest profile deals when it partnered with Andretti Autosport, headed by racing legend Michael Andretti, to launch AndrettiTV.com.

"One of Cinsay's core growth strategies involves protecting intellectual property," said Briggs last September, as the company filed a suit against Joyus and Brightcore. It took 11 months for the case to be settled. This May Cinsay expanded on its ground-breaking technology by launching the world's first syndicatable e-commerce and social media-driven music content destination with record label Suretone, called SuretoneLive.

Investors certainly think Cinsay is on a roll, having put a combined $42.2 million into the company since an initial injection of $31 million in 2011 from PepperWood Partners, followed by three further rounds and debt financing to the tune of $3.8 million in 2013.

Smart Store is offered at three different price levels: 'business', which costs clients $29.99 per month; 'business plus', which is $49.99 and the professional offering, which stands at $99.99. A whole swathe of services is available on each plan, including domain name, website hosting, email and Cinsay's Marketing Optimization (CMO), which gives customers a marketing strategy including social, mobile, press release and SEO/SEM.

This holistic approach to e-commerce, combined with Cinsay's IP wins and branches into new industries - In July the American Logistics Association penned a deal with the firm on a sales channel for its $20 billion military retail stores - suggest that 2014, and 2015, will bring added successes to Cinsay. RH

Cognitive Networks

cognitivenetworks.com

Michael Collette

Entertainment & Media

California

Yes

» According to the latest data from the Diffusion Group, among the 70% of American households with access to broadband, the percentage with Smart TVs jumped from 53% in January 2013 to 63% at the start of 2014.

This is welcome news for Cognitive Networks, a San Francisco-based company that wants to leverage the capabilities of Internet-connected television to make it a more interactive experience for viewers, and a more lucrative one for content providers and advertisers.

Without Automated Content Recognition (ACR), Cognitive Networks CEO Michael Collette explains, there is "no way to use the smarts of a smart TV." This is because set-top boxes like Apple TV and Roku that stream television are only responding to audio and visual data; they know nothing about the content of the programming.

The disconnect between what streaming services know and what advertisers and content providers want them to know inspired Zeev Neumeier to bridge the gap. In 2008, he founded Cognitive Networks.

Today, the company has an ACR platform that enables Smart TVs to identify video segments being displayed on-screen, so that interested parties can gain more quantitative data about segment penetration and viewer reaction. The company also offers an API called Engage that allows TV networks to build HTML5 or Javascript-based applications on top of regularly scheduled programming.

This enables viewers who choose to opt-in to enjoy a more interactive experience. “While interactive TV has been previously done in many forms, this is the first time that standards such as HTML5 have been used, enabling high-quality graphics using standard authoring tools,” says David Preisman, the VP of Interactive Television at Showtime, a Cognitive Networks partner. “With SHO Sync (built using the Engage API), Showtime Networks has developed a sophisticated app that maximizes what is possible with high end, premium interactive experiences.”

Mike Wolf, a chief analyst with NextMarket Insights, believes there are three core ways by which ACR technology will change the future of TV.

The first is synchronization with a second screen. Phones and tablets can be used to provide a dual screen viewing experience, where programming on a television monitor is supplemented by background information appearing on one of the mobile devices. ACR can also deliver interactive TV commerce, something valuable to both advertisers and content providers. For example, with an ACR enabled television, advertisers can offer redeemable coupons to accompany their commercials, while shows can peddle merchandise during the event itself.

Finally, there is the promise of immersive interactivity. Using tools like the Engage API from Cognitive Networks, programs that rely on voting from their television audience, like American Idol, might build an application to allow viewers to submit their votes through the television itself instead of a cell phone.

TV manufacturers, advertisers, content providers, and the general public alike are beginning to warm up to the vision, especially the one articulated by Cognitive Networks, which self-reports currently owning about 50% of the content-aware Smart TV market.

In August of 2013, it was announced that LG Electronics would become the first television manufacturer to integrate Cognitive Networks’ services into its own Smart TV offering. Additional partnerships with other television manufacturers are expected to be made public this year.

From the advertising and content side, meanwhile, Collette predicts that within the next six months, “the market for TV-enabled technologies should very rapidly go through the hurdle rate of 10 million users... There is the increasing recognition that ACR is introducing some fundamental upgrades to the medium of TV.”

With $4 million in VC funding from DCM and Rogers Ventures and $2 million in debt financing from Silicon Valley Bank, the company and its stakeholders believe that Cognitive Networks will play an important role in delivering these upgrades. RH

Compass-EOS

www.compass-eos.com

Matthew Bross

Telecommunications

California

Yes

» Wire has served the world’s communication needs for decades, but it’s time is up. Slowly and surely this methods used to carry information around the world have shifted away from the traditional wire approach. Ocean wire cables were first replaced by fiber networks and the trend continued to the intra-city level, before major metropolitan began to abandon wire for fiber. Now some operators are building fiber networks within data centers. As bandwidth demands have increased at a rapid rate, wire has been found drastically wanting in systems with ever-decreasing scales. The downfall of wire, which began under the oceans, has now reached the chip level, thanks to an ingenious piece of engineering from Compass-EOS.

But Compass-EOS does not employ a fiber solution to the chip board problem. The company was founded by Michael Laor and Dr. Michael Mesh, who met in Israel. Laor built and managed the Cisco Systems Development Center in Israel and was attempting to address the power needs of systems as capacity was increased. Dr. Mesh, an expert in optical science, believed the two could work together the find an answer, and suggested to Laor that to minimize power, it was necessary to look at the chip signals.

"We understood that the transmission between different chips and routers was the most consuming part of the solution because you have to move many times from memory to chip back to memory to keep intermediate results, and this means you move a lot between chips. And all this brings you to the big box and big power consumption," says Dr. Mesh.

This is where Dr. Mesh's expertise in optics came into play. If transmission was the problem, then there was surely no better solution than the most efficient form of energy in the known universe. Nothing travels faster than light, and it moves for years through space without the need for amplification. "If you want to transmit information, the best way today is by using light," says Dr. Mesh.

The first hurdle to this solution was the placement of the optical transmitter. If it was placed close to the chip, the information still needed to be transferred from the chip to the transmitter, meaning electrical connectivity was still required. "A long time dream of people working in the electro optics, is to put electro optical interface directly onto the digital signal processing chip."

All of this happened in the 2006/2007 period, when it was established that the major problem with scaling communication systems was getting the information in and out of the processors, because of the sheer volume of information that needed to be communicated.

In 2007 the company used initial funding to embark on two parallel projects – one to build a component that could emit light directly out of silicon, and the second to build a system that could demonstrate the new architecture. The projects ran from 2007 to 2011.

The first commercial product release came in 2011, and addressed one vertical, which was integration around a software defined network (SDN) forwarding plane. Patents were filed, and granted, for the method, process and intellectual property to embed two dimensional set of lasers into silicon, giving the company a commercial toehold and an extremely strong technological foundation.

The first product was viewed more as a prototype to demonstrate how much smaller and higher capacity was possible with much lower power. 2013 acted as a transitional year for the company as it moved from R&D to commercialization.

In early 2014 Compass-EOS recruited Matthew Bross as CEO and Chairman, to fully emphasize that transition, and mark its entry into the SDN forwarding plane space.

"The reason SDN matters is because historically the infrastructures that we've built are incapable at moving and adapting at the speed of customer expectations," explains Bross. "So what you have is this separation of the higher order brain functions, taking intelligence out of the infrastructure itself and moving it into the cloud, into data centers, into servers, so that services can advance in software speeds as opposed to infrastructure speeds.

"What we are positioned to do with our platform is to enable the rapid acceleration in the ICT industry to SDN, the software defined networks. The intelligence will sit in the cloud and the policy of the application, which needs to be applied to the information itself will be done in the SDN boarding plane, but the business decision will be done in the cloud."

Compass-EOS has received high praise from both customers and investors for its breakthrough. "Compass icPhotonics looks as though it has achieved an industry breakthrough in combining III-V compound elements on silicon," said Christopher B. Galvin, former Chairman and CEO Motorola Inc. and current Chairman Harrison Street Capital LLC.

The fact that the company is commercialized, does not mean it has slowed down its R&D, and plans to launch new generations of its product in the coming months. "Now we have the IP we're investing in the next generation device. The current device can do 2.7 terabits per chips. The next generation will take 10 terabits in and 10 terabits out within a single chip," says Bross. "With that component, we will be able to build next generation data centers, next generation cloud infrastructures that will operate at a fraction of the power and space that is required with wires and electrons today."

The Compass-EOS breakthrough may be further bad news for wires, but it's fantastic, revolutionary news for the ICT industry. RH

Credit Sesame

www.creditsesame.com

Adrian Nazari

Internet/Online

California

Yes

» Credit scores are some of the most important numbers in peoples' lives yet also one of the most poorly understood. Previously only lenders could see these scores, which they use to judge the creditworthiness of loan applicants. Borrowers on the other hand had to pay one of a handful of providers to access them.

But today a number of companies are offering free access to credit scores, as well as host of other money-saving services. Credit Sesame is one such firm, and since 2010 it has offered free credit scores to its four million members.

The company evolved from a previous venture by CEO Adrian Nazari, called Financial Crossing, a business to business firm offering mortgage and liability management tools to banks. However as the 2008 financial crisis hit hard, the banks had more important matters on their hands and the business folded.

Nazari decided to take the credit score algorithms he had developed for financial institutions and make them available to the public. "Rather than keep that algorithm in a black box, [Nazari] decided to start making it available to the masses so that consumers will understand the importance of credit," says Olivier Lemaignen, chief marketing officer for Credit Sesame.

"We are also doing so for free, that's what [Nazari] insisted was so important, to be a consumer advisor," Lemaignen adds.

Credit Sesame operates in a rapidly changing market. It's main rival, Credit Karma, offers not just free credit scores but also a number of third party financial products such credit cards and consumer loans. Around nine months ago, Credit Sesame's Nazari and his team looked at the fundamentals of the market and decided to copy it's competitor's business model.

"We decided to complement our offerings with premium products, credit card and mortgages, as well as subscription services. But the game changer was the introduction of identity theft protection," says Lemaignen.

This feature helps Credit Sesame stand out from the competition. For $9.95 a month the company will monitor the internet for the illegal use of client's social security number, as well as provide insurance for up $1 million stolen and help victims restore their stolen identity. The biggest threat, according to Lemaignen, is the recent move by established credit card companies to start providing free credit scores.

"It's a competitive market, but not necessarily from new companies coming in. Now you have existing companies that are recognised in the market who are offering free credit scores," says Lemaignen.

Discover, Barclaycard and First Bankcard are now offering free credit scores to their customers as part of their monthly billing statements.

Over the last five years Credit Sesame has raised a total of $19.1 million in three rounds of financing. Investors included Globespan Capital, Menlo Ventures and Inventus Capital.

Revenue growth has been strong in the last two years. Turnover was $320,000 in 2012, according to the business database Orbis, but the latest annual figure has grown by 32% quarter over quarter and the firm is projecting revenues of $36 million in 2015.

The firm has estimated a total addressable market of $4 billion and Lemaignen claims that it growing by 30% each year. With competition from credit card companies and start-ups, Credit Sesame's challenge is creating a distinct brand. If it can leverage its marketing budget and continue to add more third party products, then Credit Sesame looks on course to reach its growth targets.

Curemark

www.curemark.com

Joan Fallon

Life Sciences/Biotech

New York

Yes

» Neurological disease causes pain and suffering for millions across the world.

Any technology that can help alleviate the hardship or help to find a treatment or cure is always welcomed.

Thankfully, Dr. Joan Fallon, founder and CEO Curemark, while conducting research on the role of gastrointestinal/pancreatic secretory deficiencies in neurological disease, gained critical insights from her clinical observations.

It led to the creation of the New York-based company's lead product candidate, CM-AT, which, according to the company, has the potential to be a first-in-class treatment for autism and the first therapy to address the core symptoms of the disease.

The drug research and development company has focused on the neurological sector and other diseases, especially those with dysautonomic elements, by addressing key gastrointestinal/pancreatic secretory deficiencies.

The pipeline includes looking at treatments for autism and ADHD as well as three preclinical programs aimed at Parkinson's disease, schizophrenia, and addiction.

In a further boost, the FDA has granted CM-AT the agency's Fast Track designation, which it reserves for companies who are creating investigational new drugs that are intended to treat serious or life-threatening conditions and that have demonstrated the potential to meet unmet medical needs.

The CEO has recently received the Springboard Enterprises' Northstar Award, in recognition for her entrepreneurial leadership and achievements in autism research.

Springboard Enterprises is a non-profit organization dedicated to accelerating high-growth women entrepreneurs' access to equity capital markets.

"Dr. Fallon is a visionary scientist who has dedicated her life to helping patients by tailoring treatments that address the root causes of their disorder," said Amy Millman, president of Springboard Enterprises.

"Her groundbreaking work and study of children with autism will lead to meaningful improvements in the lives of children with autism."

Daintree Networks

www.daintree.net

Danny Yu

Clean Tech

California

Yes

» According to Daintree Networks, the energy consumption in commercial buildings can be reduced by up to 70%. There are also a myriad of operational efficiencies, productivity, and compliance gains to be won, which equate to a lower carbon footprint and greener planet. A McKinsey & Co report suggests that the United States could save $1 trillion by 2020 that is currently lost to inefficient energy use.

"Despite the continued appearance of energy saving technology in the media and corporate sphere, firms still have a lot to learn," says David Kaye, business development manager at London-based sustainability agency Eco. "It's so important because the save potential is huge - both in terms of a company's environmental impact but also its bottom line."

Daintree, headquartered in California's Los Altos, provides building energy management, controlling, monitoring, and analyzing multiple applications to tackle just that. It has over 60 million square feet under management in hundreds of facilities across the U.S. Founded in 2003, the firm has had two funding rounds from Jolimont Capital and Lend Lease Ventures. The firm has picked up a raft of end-to-end partners including LG, Felxtronics, GE, Silicon Labs and more. Its customers are no less esteemed: General Electric and Pepsico are just some of the giants utilizing its solutions.

Daintree's CEO is Danny Yu, who has grown three global businesses from startup to $100 million. He has extensive venture capital experience, and years of knowledge in wireless, datacom, and storage. It's little surprise, therefore, that Yu's latest outing has been, thus far, successful. Last year Daintree grew twice as large, and is expected to expand by another three times by the end of this year, which Yu believes is a pace the company can keep up beyond then.

"We are seeing this growth due to unabating demand from companies, due to pressure, to cut energy and operational costs, as well as reduce CO_2 emissions to help our climate," says Yu. "In addition, standards and codes like ASHRAE 90.1 and Title 24 for California are requiring companies to put energy conservation measures in place in order to be compliant."

Daintree started out offering verification and operational support tools for wireless embedded networking. Now, with its open standards driven advanced wireless solution enterprise control and energy management, providing a host of products that come under the banner of its ControlScope solution. "It's an integrated software platform that can be used to manage energy by controlling lighting, thermostats, fans, plug loads, refrigeration, and other loads as well as monitor CO_2 sensors and other environmental conditions," explains Yu. "And the solution then provides big data analytics on all those devices with actionable information in dashboards.

"Just like Apple and Google, with Nest, are providing energy automation for the home market across a set of different products, Daintree is providing that for the commercial market," adds Yu. "And since Daintree's ControlScope solution is completely open standards-driven, the interoperability of devices with the Daintree solution allows organizations to leverage the solution to manage the overall Enterprise Internet of Things infrastructure." It is that Internet of Things market at which Daintree is particularly [targeting] right now, looking to capture significant ground thanks to its lighting control foothold."

Understandably for such a wide-ranging product and global issue, Daintree's total addressable market is considerable - Yu pegs it at $5 billion. "And since Daintree's solution is the core of Enterprise Internet of Things, the overall TAM for that market is expected to exceed $100 billion," he adds. The most disruption, Yu claims, will be seen from open standards-based solutions, which enable open protocols for machine-to-machine interaction.

And while the CEO says that warehouses and financial services institutions comprise a large bulk of its work, energy reduction losses are being felt across the board: "When it is so obvious that by using a sound solution, you can reduce your energy consumption by 70% and significantly reduce carbon emissions while increasing occupant comfort, why wouldn't every single company be doing it? Yet, the majority of the companies out there have rolled out limited energy management initiatives. We believe it's primarily due to lack of awareness. Given the overwhelming benefits, every company should be using this killer solution that is also straightforward and simple."

And so, it appears, Daintree's market isn't going away any time soon. That's very good news for Daintree, - and the planet, Yu hopes. "I'm determined to build a large-scale company with great people committed to truly making a deep impact to our economy, society, and environment."

RH

Data Dynamics

datadynamicsinc.com

Piyush Mehta

Software

New Jersey

No

» Few companies at this year's Red Herring Top 100 North America embody the fluidity and evolution of the digital startup scene quite like Data Dynamics.

The New Jersey-headquartered storage specialist grew out of IP developed first by fellow startup NuView in 2002. Four years later NuView was acquired by San Jose's Brocade. Brocade took on NuView's successful StorageX platform, which was already revolutionizing the way companies migrated data.

In 2010 Brocade sunsetted StorageX, which paved the way for Piyush Mehta, a serial storage entrepreneur, to take the reins with Data Dynamics, a company which, according to its website, focuses on "providing discovery, reporting, migration, and management of file-based storage."

Founded in 2012 with only angel investment under its belt, Data Dynamics has grown to become a market leader thanks to its work making StorageX a core part of many companies' storage strategies.

Data Dynamics employs 27 people in Jersey, and has development, support and engineering based in Houston, Texas, thanks to StorageX's roots in the Lone Star State. And for Mehta, who has over two decades in the digital startup sphere, it's been a heck of a ride. Mehta has helmed two other startups in his career, exiting one and bowing out of the second with over $12 million of funding. Now he sees how StorageX's capacity to streamline tech refresh and migration planning, create unified storage views and cut costs across the board, is something to get even the most serial of entrepreneurs excited.

"The biggest challenge in technology hangs on managing your data infrastructure," he says. "Technology's biggest focus is always data - how you mine data, how you take stock of that data. The challenge on the other side of that is how that infrastructure data is managed to an optimal.

"From user data - everything from PDFs and Word files to Flash and radio files - the data realm continues to explode as we expand the digital universe," adds Mehta. "So we focused around the understanding of that storage infrastructure, how best to optimize."

Data Dynamics provides training and software support for StorageX but not services, which it delegates to a partner community. "StorageX is an out-of-band, software-based storage management platform designed for enterprise file lifecycle management," writes Mehta. "(It) also aggregates and centralizes the management of network file storage environments and streamlines workflows when adding, consolidating, or refreshing Network Attached Storage (NAS) and Windows storage systems."

Mehta has refused to narrow his business options with Data Dynamics, preferring to look at the global data industry as a whole for growth potential: "It's everywhere - in financial services, banking, manufacturing or multimedia. We're not focused on a particular vertical. What we're seeing is data growth can be a business driver across all industries."

That said, Mehta admits that the biggest sectors in which his firm is seeing growth is coming from the southern states' energy industry, and manufacturing in the Midwest, which is after long years of stagnancy finally seeing a surge in productivity. "With budgets becoming so tight, it's extremely hard to manage that data growth and data sprawl," he says. "Leveraging automation you're also able to do it effectively, so the total resource ability to manage complex storage environments becomes easier."

Into 2015 Data Dynamics will add a new version of StorageX, and concentrate on optimizing its usage with Hadoop-based systems. It is also looking to Germany and the U.K. for expansion into Europe, and has established ties with firms in India for growth on the subcontinent and APAC. "We have a huge potential in the next 12 months to set ourselves apart further as we explore other areas of storage and provide a holistic capability," he adds.

Above all, Mehta is enjoying a new challenge. And his thirst for entrepreneurialism has been quenched by Data Dynamics, which continues to win major clients in the U.S. and beyond. "Sometimes you bang your head against the wall and wonder what made you do this, and on others you're ecstatic about the results because you closed a big deal, or were able to come up with a solution that will revolutionize the industry," he says. "These are both daily, if not hourly emotions I go through!" RH

Defense.Net

www.defense.net

Chris Risley

Security

California

Yes

ACQUIRED

» The Distributed Denial of Service (DDoS) attack is one of the most common forms of cyber attack an organization can face. The idea behind the attack is to flood the servers of a website or service to the extent that it is left inoperable.

Defense.net is a security company which specifically addresses the DDoS threat, and does so without compromising on the performance of Internet application levels. The company claims it can foil attacks without organizations even knowing one has occurred.

Defense.net is backed by more than $9.5 million in debt and equity financing. Investors include Bessemer Venture Partners.

Upon receiving the Red Herring Top 100 award, Chris Risley, CEO of Defense. Net, was understandably pleased. "We are continuing to develop ground breaking DDoS mitigation technologies to protect businesses, organizations and critical infrastructure from the growing threat of DDoS attacks, and this award is a validation of our efforts to date."

Barret Lyon, the founder of the company, is something of a pioneer in battling DDoS attacks. His early efforts to battle those behind DDoS attacks was chronicled in the book Fatal System Error - The hunt for the new crime lords who are bringing down the internet.

When DDoS attacks are launched against organizations such as banks or governments, the effects can be disastrous. A slew of these types of attacks have been launched as a form of protest on all types of websites. The lasting damage is minimal, but the reputation of a company can be hurt severely, making Defense.net's services even more important.

The company's website states: "We absorb even the largest DDoS attacks. We take the bad attack traffic, scrub it and send only the legitimate traffic through to your website. We offer 10 times the defense bandwidth per customer compared to the rest of the market. We have very large, very new, fully redundant data centers featuring the latest equipment and tools we have engineered specifically to deal with the type of attacks we have seen develop over the last year." RH

DigiCert

www.digicert.com

Nicholas Hales

Security

Utah

No

» The market for Secure Sockets Layer (SSL) certificates represents a multi-billion dollar industry, but with the exception of DigiCert, it is not necessarily known for its attention to customer service.

The Lehi, Utah-based company traces its origins back to 2003, when founder Ken Bretschneider became frustrated at how difficult it was to obtain and install a certificate for a website he was working on. Over ten years later, 180,000 customers in over 180 countries trust Digicert's SSL certificates to secure their Internet communications.

While the overall market is led by Symantec, DigiCert has won the trust of customers like Facebook, Yahoo, and the Wikimedia Foundation because of its strong reputation for customer service, innovative product offerings, and commitment to being a thought leader in the field.

To DigiCert, the emphasis on customer service seems obvious. Obtaining a certificate is a process that requires multiple steps but is not done very often. Small and medium sized businesses in particular benefit tremendously from the company's dedicated support staff. "Our concentration is helping the customers by making the jobs of their network administrators easier so that they can get the certificate and protect their site," explained CEO Nicholas Hales. "When customers call they get someone who can speak their language."

Bob Burchett, the server administrator for St. Clair County (AL), attests. "Most times with Digicert I can't keep up they are so efficient. I've made it a point to have all my ducks in row before I request certificates etc. as normally they will be waiting on you. The follow up and communications are second to none, quick, easy, and efficient." Burchett's testimony is backed by over 400 reviews on SSLShopper.com, which have combined to give Digicert the site's only 5-star rating.

Unlike other Certificate Authorities that often have a wide range of products, Digicert provides only SSL products, of which it offers five: a Single Certificate, a WildCard SSL that secures all servers and subdomains on a given domain, a Unified Communications Certificate that secures up to 25 server names, and two High Assurance offerings; an Extended Validation Certificate and a DigiCert Extended Validation Multi-Domain Certificate. It is in High Assurance that DigiCert has become best known, a fact reflected in the 10-15% YoY growth the division has experienced in the last five years.

The company is also excited to be a part of the movement to bring Public-Key Infrastructure (PKI) to other markets, specifically healthcare and its system of direct exchange. In the summer of last year, it was announced that DigiCert had teamed up with DataMotion, a messaging encryption service, to assist in the Direct Project. The Direct Project is the federal health care initiative charged with providing a secure and cost-effective way of sending confidential medical data back and forth over the Internet.

The company has also gone to great lengths to become a thought leader in the field. DigiCert was a founding member of the CA/Browser Forum, which developed the Extended Validation Certificate and presides over the guidelines that govern which certificates can qualify as Extended Validation (or High Assurance). The company also worked closely with Microsoft to develop Subject Alternate Names in SSL Certificates. This commitment to leadership extends throughout the organization, as the company's employees are collectively members of 63 different industry standard organizations.

DigiCert has seen annual revenue grow over 500% since 2008. As the premium being assigned to secure Internet communications increases, expect DigiCert, and its customers, to continue to benefit. RH

DiscGenics

www.discgenics.com

Flagg Flanagan

Life Sciences/Biotech

Utah

No

» Stem cell research has shed its stigma. In 2012 Shinya Yamanka, a researcher from Higashiosaka in Japan, won the Nobel Prize for Physiology or Medicine. Eleven years previously, as controversy rained on the realm, then- U.S. President George W Bush prohibited the use of federal funds for new stem cell lines. Stem cell therapy even made it into one of that year's episodes of South Park - surely the pinnacle for any disruptive technology.

Amid all that, in 2007, DiscGenics was founded, in Memphis Tennessee. It is now headquartered in Salt Lake City Utah, but the original goal remains: to develop advanced spinal therapeutics to treat patients with diseases of the intervertebral disc. Up to 30% of adults experience back pain at any given time. It's the second-most-common reason to visit a doctor. The problem represents $100 billion of healthcare annual expenditure - up 95% between 1999 and 2008.

Currently treatments for back ailments are inadequate and expensive. There is medicine, physical therapy, steroids and chiropractic care for mild severity; 'buying time' for medium and surgery for severe damage. Surgery comes with a wide range of associated problems such as adjacent disc disease, non-function and increased wear. Once degeneration begins it continues to worsen: the tissue is avascular, in constant motion and has very little capacity to heal.

DiscGenics believes it has the answer. Injectable discogenic cell therapy (IDCT) is a cellular therapy in the disc itself. It is not embryo-derived, allogenic from patient to patient and regulated as a biologic drug by the FDA. IDCT, claims DiscGenics, reduces pain and improves quality of life for those millions suffering back pain.

There are positive signs everywhere. Evidence in animal trials, including rabbits and pigs, have returned good results. IDCT is currently at a preclinical development stage for degenerative disc disease. The company's leadership, too, would be coveted by any biotechnology firm. CEO and chairman Flagg Flanagan is a 30-years-experienced medical entrepreneur. He founded Flanagan Instruments in 1981, building it into a leading neurosurgical device distribution business. COO Bob Wynalek adds another 28 years of work in the spinal field, and chief medical officer Kevin T Foley is a neurosurgeon who has revolutionized minimally invasive spine surgery.

Then there are the numbers. DiscGenics got an injection of $1.8 million venture capital in October 2011. But its projected U.S. market size in 2019 is $4.6 billion. Including international markets this figure jumps to $9.2 billion. According to RnR Market Research, the stem cell therapy market is growing at a CAGR of 39.5% worldwide from 2015 to 2020. The New York Times recently reported that there are up to 4,500 clinical trials involving stem cells across the United States, "to treat patients with heart disease, blindness, Parkinson's, H.I.V., diabetes, blood cancers and spinal cord injuries, among other conditions."

DiscGenics places itself in the 'emerging' bracket of such treatments, with a landscape that includes big competitors such as Celling, Cytori and Biorestorative Therapies. By 2019 DiscGenics hopes to achieve licensure, following further animal studies, human trials and phase three clinical studies.

With all this in mind, it's no surprise DiscGenics is already looking beyond its Red Herring award, and toward a future where stem cell therapy is not only no longer a taboo, but the gold mark in back pain biotechnology. RH

Duda

www.dudamobile.com

Itai Sadan

Internet/Online

California

Yes

» It all started with the iPhone. In 2007 when the first iPhone released, two college friends and fellow techies, saw what was over the horizon. The web was about to go mobile. That realization was quickly followed by a second one.

Big brand enterprises would have no trouble adapting to the change that was to come. They had the money, time and the expertise. But what about the small businesses? Lacking resources and being ever more dependent on handheld devices to reach their customers, they would be left behind. They would need an easy, cost-effective way to establish a web presence. This was an opportunity and so in 2010, Itai Sadan and Amir Glatt launched Duda - a multi-screen website builder platform aimed at the small guy.

"Small businesses don't have the budget, resources or skill sets of big brands. In a survey we conducted we found 70-80% of small businesses said that their website was critical to their business. But only 30% updated their website last year. They realize the importance of a web presence but they don't have the time," Itai Sadan, CEO of Duda, says.

Duda makes tech available to small businesses to help them better compete online. "We provide them with tools that cut development time by half. The idea is to give them a way to build a web presence that has say the core experience of buying on say Amazon, at an affordable cost," says Sadan.

Duda reaches small businesses using a three pronged approach. Through a DIY website builder that a small business owner could directly use, through professional web developers/designers/agencies servicing the small business segment, and through strategic partnerships with aggregators such as GoDaddy and Opentable. Capturing the market with a free base product and monetizing through premium features is the business model employed.

"Only ten to twenty thousand businesses (in the U.S.) are large enterprises. The rest are smaller. Dentists, lawyers, pizzerias. It's a big opportunity," says Sadan.

Duda is looking beyond the U.S. however. It wants to cater to small businesses everywhere as evidenced by its 40% international customer base. It has a small but growing presence worldwide and is seeing strong adoption in Europe and Japan. The company pegs its market opportunity at over 150 million small businesses globally.

Duda's strongest product so far is Duda Mobile - a mobile website builder that also converts any existing website into a fully functioning mobile website. Duda Mobile is a market leader and is patented

Duda has raised $20 million so far through venture capital funding and multiple angel investors. In 2013 the company tripled its year-on-year revenue and its 5-year CAGR from FY09-FY13 stands at over 687%. Sadan cites growth and product improvement as the company's main challenges. "Over the next 18 months we are going to be focused on the web developer segment. We want to add capabilities to our product, [which] further addresses the need of web professionals. Capabilities that will allow them to create customized dynamic content based on context such as time and location. So for instance, if it's a website for a restaurant, depending on the time of day, the website would show you the lunch or dinner menu," says Sadan.

Eitan Bek, Partner at Pitango Venture Capital says, "Duda is a great company with an incredible product and a top notch team. They are making enterprise level technology available to everyone from web agencies to small business owners, which to be honest is a game changer. Gone are the days where you needed huge budgets and a giant development team for a world-class, dynamic website. I'm excited to see what advancements Duda comes out with in the future." RH

Electric Cloud

www.electriccloud.com

Steve Brodie

Software

California

Yes

» When a manufacturer builds a car, if it is not properly put together, tested and shipped, the results can be disastrous. For any company releasing software, failing to go through similar procedures can be just as hazardous in its own way.

Electric Cloud automates the build, test and deployment processes of delivering software at scale, through its continuous delivery platform. The company, headquartered in San Jose, was founded just over 12 years ago and has been shipping products for more than 10 years. Electric Cloud CEO Steve Brodie describes the company's clients as any business that has mission critical software, where uptime, safety and quality are critical.

And Electric Cloud has attracted a formidable list of customers, including Dell, Broadcom, Qualcomm and Cisco. "It's a pretty impressive list of brand names," says Brodie. "I joined in December

2012 and the customers that Electric Cloud had was one of the things that drew me here."

One of those customers is Intuit, a financial software provider. The company, which offers TurboTax among other products, has been impressed while using one of Electric Cloud's major offerings – ElectricAccelerator. "The thing that made us look into ElectricAccelerator was the need for a huge need to boost software development productivity of our entire division. The developers were getting frustrated, QA-people were getting frustrated, CM-people were getting frustrated. So it was all about increased development productivity—getting developers back to developing code and getting the QA team to quickly test the changed code," said Jon Burt, Development Group Manager at Inuit.

"Build times used to be around four hours. Builds are now down to 30 minutes, allowing us to perform unit tests and get feedback to developers the same day, eliminating the need for a developer to context-swap from another task to troubleshoot a problem from a day or two prior. The productivity of the team has dramatically improved," he adds.

While there is some competition in the market, Brodie believes that Electric Cloud has a sufficient head start to stand out, and the barriers of entry for new players are reasonably high. "There are some open source and low end tools that work at a departmental level, what we're finding is that when creating an enterprise scale product, customers want a vendor they can count on and has a proven track record - and we've proven this with companies like Qualcomm," Brodie states.

"We've worked with some of the largest customers in the world. We have nine patents, there is some secret sauce in there and patented technology. We've had some customers say they think they can do it on their own, and they either try it and find it harder than expected or they run into patent issues," he adds.

The deployment of software is critical to the success of a growing number of companies. Software has infiltrated into every single sector, and has disrupted industries that have for long period of times been stagnant. Electric Cloud's automation of this deployment brings several key advantages. "The only way you can achieve the quality goals and the cycle goals and to do it cost efficiently, is to automate it. Sometimes building the software can take hours, and the tests can take a long time. So you're automating it and expediting it. Getting the software deployed, you have to make sure you have the right quality. There are so many cases of big companies that have had failed deployments and has cost them significantly in terms of financial loss and customer loss," says Brodie.

Electric Cloud has attracted the backing of major investors. In April this year the company closed a $12 million Series E round, with participation from US Venture Partners, Siemens Venture Capital, Mayfield Fund, RRE Ventures and Rembrandt Venture Partners. "We're pretty well capitalized at this point in terms of what we want to achieve for the next year and a half or so. Then we'd potentially be looking at a growth round," says Brodie.

Right now the company is growing fast. Brodie expects a compound annual growth rate of 40-50% over the next couple of years and he is seeing a lot of demand in the market for continuous delivery. "Our goal is to position ourselves as the leader for enterprises. We want to be the company people think of," he concludes. RH

Flybits

www.flybits.com

Hossein Rahnama

Software

Canada

Yes

» Imagine a single transit app on your mobile phone that seamlessly assists you across different modes of transport. That prompts you with traffic information and public-works schedule when you are driving, or sends you the relevant bus schedules when at a bus stop. That will automatically direct you to the correct platform when at a railway station. That knows you are a frequent flyer, lets you know if your flight is delayed, directs you to your gate and when you land, knows which city you are in, and accordingly directs you to the taxi stand. All of this without having to fumble through a menu. All of it on a single app and all of it automated, the app knowing when and where, what information is needed customized to who you are.

Welcome to the world of contextual computing and Flybits.

"Flybits is a framework that allows mobile devices to become relevant to their environment. So you don't have to carry tens of applications on your device. It enables you to have one Flybits app that can understand your context, situation and intention and based on those will give you the most relevant application or service, when you need it," Hossein Rahnama, Founder and CEO, Flybits, says.

Users of the Flybits framework can build geo-fenced context aware zones to dynamically deploy hyper-contextualized apps and services on a mobile device to the relevant users. Flybits does not just allow a user to build a context-aware environment, but also allows one to deploy services dynamically in real time with the ease and quickness of clicking a button. And finally to use the data being generated from engagement with an app or service to gain actionable insights about end users, to make quick inflight adjustments and effect quick optimizations. The consequence is to make a given physical location alive informationally - to make it intelligent and smart.

The benefits when managing places where large number of people congregate - like a stadium – are obvious. The product is not just about making a space informationally smart however. It's also about addressing the problem of information overload. For a transit authority, like the Ministry of Transport in the city of Ontario that uses Flybits, the problem isn't a lack of information. It has all the information it needs about a system that it manages. The problem is how to make the right information available to the right commuter at the right time. And Flybits is what enabled them to do that.

"People have great ideas for how to use situational, contextual data to make great apps. But they don't have a platform to execute them. That was one of our motivations, to come up with a set of tools that can be used to make such apps easily," says Rahnama.

Flybits was founded in late 2012 by Rahnama. He was a PhD student studying contextual computing when he noticed the absence of a platform that could use to make contextually-aware mobile service apps. The company spun out of his PhD research. The Toronto-based company is one of the successes of Ryerson University's Digital Media Zone — Canada's largest business incubation centers. It has raised $3.8 million so far in a Series A round of funding which included such investors as Robert Bosch Venture Capital and Trellis Capital. The company is open to other investors. Flybits started earning revenue after its first three months of operation and has grown at a rate of 1000% from last year.

Flybit's market is a difficult one to measure given that the company is pioneering new capabilities for a mobile app. But the opportunity is huge given what is around the corner — the Internet of Things (IoT). In many ways, IoT will bring contextual computing into its own because it will proliferate the availability of situational data that can contextualize a physical space and thus provide an environmentally aware service. A mobile app will effectively have more eyes and ears with which to see where you are. Flybits hopes to become the go-to development framework for building apps based on the Internet of Things. It will be possible to control a smart house through a single context aware app on a future smart watch. It's an opportunity that Rahnama pegs at about $20 billion. Flybits is already working with appliance manufacturers in line with its vision. In the meantime, the company is already designing mobile app systems for transit authorities in Ontario, Ottawa and Paris.

"We are trying to make the world a smart space by using principles of crowd sourcing and context aware computing, and to really create an intuitive, easy-to-use interface for end users and developers to build intelligent applications," says Rahnama.

Our cities are about to get intelligent and Flybits is smartly poised to make the most of it.

Fruition Partners

www.fruitionpartners.com

Marc Talluto

Cloud Computing

Illinois

Yes

» In an ever-changing tech environment, businesses are often left confused as to how to move forward.

This confusion can lead to expensive errors and damaged reputations.

Having an enterprise that can be relied on to provide expert advice and with a proven track record of successful projects is a valuable relationship.

Founded in 2003 and based in Chicago, Fruition Partners is a global technology-enabled services firm focused on elevating service management to the cloud.

Combining practical experience with technology-enabled tools and services to help organizations attain success throughout the entire process, the company has already completed more than 1,500 ServiceNow projects, from Fortune 500 giants to small businesses.

And with a team of more than 300 cloud-integration experts, service management is accelerated, ensuring clients experience the cost and performance benefits quickly and easily.

As a partner to some of the world's most respected organizations including Target, General Electric (GE), Delphi, Tulane University and Virteva, the company

understands what it takes to please its clients.

This has led to growth and the establishment of the company as a market leader.

"Our growth is impressive, especially given it has been entirely organic through 2013, a testament to our people, technology-enabled methodologies and our unparalleled expertise with cloud service management," said Marc Talluto, CEO and founder of Fruition Partners.

"Fruition Partners will continue to take advantage of the significant market opportunity in the IT cloud services market by continuing to innovate and bring our clients results through applying service management principles across the enterprise."

This year the company acquired UK-based Partners in IT, a systems integrator specialising in ServiceNow alongside other cloud-based IT service management applications.

Fruition Partners said the purchase would give the company a strong foothold in the UK and Europe and help position itself as a true global cloud-based service management systems integrator.

Genband

www.genband.com

David Walsh

Telecommunications

Texas

Yes

» "Genband Inc. isn't a household name," says journalist Sarah E. Needleman. "But its technology is used by millions of households worldwide." The Frisco, Texas-based company, a leading developer of multimedia and cloud communications solutions, has some formidable numbers behind its name - not least revenues topping $700 million.

The company was founded in 1999 as General Bandwidth in Austin, Texas, with $12 million of VC funding. Genband, as the firm became known in 2006, has remained private ever since. It even came top of the Wall Street Journal's list of the top 50 venture-backed companies in the U.S. in 2012, upon which point that $12 million investment had become over half a billion.

Its market leadership is formidable, with top spots in media gateways and VoIP, among others. To date Genband has migrated over 41 million lines to IP; has 50 million cloud users and 298 million IP sessions shipped. For David Walsh, who has been involved in the firm since 2007, and CEO since 2013, it's been "a blast - Genband has not only got size but it's profitable."

The company has gone through waves of acquisition activity. From 1999 to 2004 it concentrated on bolstering its signaling and media gateways, including the purchase of now-Oracle stablemate Tekelec. Between 2008 and 2009 Genband turned its sights to session border controls, acquiring the likes of Nextpoint, while in 2010 it stepped up activity by snaffling Nortel, Cedar Point and Iperia as it looked to strengthen its unified communications.

"We're always interested in complimentary acquisitions, in two categories: industry consolidation and living deeper in the wallet of your customer," says Walsh. "So we've done a number to consolidate the market."

Genband offers a wide range of communications software, from controllers and gateway products to servers and cloud offerings. The company's mobile OTT solution, Fring, allows consumers to message, voice call, video call and conference in one place.

"The common theme is real-time," says Walsh. "That could be a real-time call, a message. To provide those, you need a quality of service, and you need to upgrade inside the OSI stack. The strategy hasn't really changed since I got involved in the business 7-8 years ago. All we've done is build a more robust communications offering." Soon the company will add developer platforms, as it seeks to expand its already-bursting portfolio.

In July the company's NUViA cloud service was selected by iHub, one of the U.K.'s leading business hosted communications suppliers, building its portfolio of partners across Europe and the rest of the world. "We've built the business to a point to where we have a good global footprint," says Walsh. "For the most part we've for a great global footprint. We want to expand our customer set and get deeper into the wallet of our customer." Genband currently works with over 80 of the planet's top 100 network operators, working out of 80 countries with a staff of over 1,500.

But it's not just a product portfolio that dominates Genband's future-leaning strategy. The firm is also making headway in the realm of sustainability - an area that continues to dog the energy-hungry telco industry. The public switched telephone network (PSTN) now accounts for 57% of network failures. That legacy telecoms equates to 12 billion Kilowatts of power each year, or enough to power a million homes.

Migrating that infrastructure to IP, according to Genband, will reduce energy costs by 70%, water costs by 70% and CO2 emissions by 40%. Genband is pumping funds into R&D to make its products leaner, and twinning with efficient cooling companies - a move Walsh sees not as lip service, but vital" "Computing costs are going down, storage costs are coming down but cooling and water are coming up. That's what we're doing. Not just delivering technology but efficiency."

GlobalVCard (CSI)

csicorporatecard.com

Keith Stone

Other

Florida

No

» Keeping track of payments in a business is not simple. Multiple employees traveling around with company credit cards is also a breeding ground for fraud and complex record keeping.

globalVCard, a CSI Enterprises company, provides businesses with a complete payment solution for electronic accounts payable, corporate travel and mobile payments. The advantage is that customers can utilize the proprietary software platform to generate single-use virtual MasterCard numbers for specific payment amounts.

This virtual card technology not only cuts disbursement costs and simplifies transactions, it also eliminates the risk of credit card fraud.

Keith Stone, President and CEO of the company, founded CSI Enterprises in 1989, quickly turning it into a large fleet management entity. But he recognized the need for more secure and efficient corporate payment systems, so he developed globalVCard with the aim of not only lowering costs and improving security for financial departments, but also as a way of providing a revenue generation stream for companies.

By using the virtual card, companies obtain monthly cash back rewards based on the amount of virtual card transactions.

The company makes its revenue through transaction fees, based on a percentage of virtual card spend volume. Additionally, its software as a service platform is available on a licensing fee basis for companies wishing to use the globalVCard pay systems interface.

Two global companies are already using its API and globalVCard is launching its new corporate travel product this year, "which will be revolutionary to the industry", according to Stone.

"We have successfully completed a six month beta with a travel management company and will be rolling out our solution together during the second half of 2014," he adds.

Some of the main competitors in this arena include Bank of America, Wells Fargo, American Express and Wright Express, but unlike banks, Stone states that globalVCard is more "innovative, flexible and fast."

The platform can be integrated into any ERP system very quickly and the vendor adoption of electronic services is three times the industry average, thanks to globalVCard owning its customers' vendor enrollment, Stone says.

Results have been impressive with 100% customer retention backing up Stone's assertion that the customer service element of the company is second to none.

Mim Davis, VP/CFO of digital marketing agency Sq1, says what really sets CSI apart besides their offering is the "superior customer service they provide with dedicated support teams readily available to address our specific needs."

"CSI's services and systems are unparalleled and incomparable to any other credit card company or financial institution," she adds.

Furthermore, globalVCard has the industry's only virtual MasterCard mobile payment solution for use by authorized corporate or partner personnel.

Growth has hit triple figures in certain verticals, particularly in the most mature sector of globalVCard's offerings, the accounts payable business. Further to this, the opening of its API, which has facilitated new partnerships and integrations, is expected to be a growth market for self-serve B2B payment, asserts Stone.

A formalized alliance with MasterCard has provided the company with greater access to banks and provides additional strength in the marketplace. Awareness is certainly globalVCard's greatest challenge. Founded in 2009, the company employs 40 people, Stone stating that it has "been under the radar since our beginnings."

However, he adds that "when we are in front of a prospect, we gain credibility and establish trust."

"It doesn't take long for them to see us as trusted advisors," he concludes. RH

GuideSpark

www.guidespark.com

Keith Kitani

Internet/Online

California

Yes

» One of the inexorable ways in which the world has changed in the past decade is the way people have started consuming information and media. The advent of content gateways like YouTube and the smart hand held device has exploded traditional notions of audience engagement and media consumption. Why is it then that this change is not reflected in the way companies talk to their employees?

HR communication, by and large, still belongs to a paper-world of brochures, manuals and seminars; a way of doing things that seems at odds with the paradigm shift that is taking place in the larger media-scape. How effective then is an employee manual at a time when 62% of U.S. adults own a smartphone and 6 billion hours of video are watched on YouTube every month? How effective will it be going forward when increasing numbers of millennials join the workforce?

A company animated by the above question is Guidespark. As an employee communications company, Guidespark is tackling the challenge of employee engagement by changing HR communications into a more effective and modern form. It does this through the use of customized videos that break complex and constantly changing HR topics - like healthcare benefits and stock purchase plans - into short, easily digestible, multimedia chunks like YouTube video clips; consumable anywhere and anytime on a smartphone or tablet.

"We asked ourselves, why is there not more content in this world? We answered that through the creation of turnkey solution. A continuously growing, customizable video library that is broad across different industry sectors like construction, healthcare and I.T. The platform we have created gives you compelling content at an effective price," Keith Kitani, CEO, Guidespark says.

Guidespark operates under the Software-As-A-Service (SAAS) model which makes sense given the constantly changing nature of HR content — a good example of which is the reform underway in healthcare and the way it is impacting employee healthcare plans across industries. The subscription model also helps in letting Guidespark continuously monitor the effectiveness of the content it is delivering for its customer through the use of data analysis - which video was watched, where, when and on what device, and how it compares across benchmarks.

Guidespark was founded in 2008 by Kitani, who brought his SaaS experience in the e-learning space from Presidia - a rapid e-learning company that he co-founded in 1999 and then subsequently sold to Macromedia in 2003, under which it became Adobe Connect. Presidia was Kitani's first encounter with the problem of creating compelling online content.

The market opportunity for Guidespark is difficult to quantify because of the disruptive nature of what it is doing. "It's difficult to put a number but the opportunity is huge. Just think of all the ways that companies currently connect with its employees through brochures. That's partly our competition. Papers and seminars," says Kitani.

Guidespark has had two rounds of funding since it initially raised $800,000 from friends and family, totaling $5 million in April 2013 and $15 million in February this year. "Our GAAP revenue last year was in the low $4 million. We are trying to triple our growth, which has been the pace over the last two years. The challenge for us is to maintain this growth rate while keeping the quality. The plan over the next 18 months is to expand the platform, increase interactivity, broaden the video library and to continue coming up with more effective engagement metrics based on all the data coming in," says Kitani.

Stephanie Riedel, Benefits Leader at DLA Piper, one of Guidespark's customers says, "GuideSpark became an extension of our HR communications team, and their videos help us engage with our people at record levels. By embracing their multi-media technology, we are able to deliver an extensive amount of information while making huge strides in going paperless."

Peter Sonsini, general Partner at NEA — Guidespark's investor from the last round, says, "The explosion of video and mobile in the consumer world is now also changing how employees consume information at work. With the connected employee infiltrating the workplace, this trend is taking off and GuideSpark is leading the transformation away from traditional paper, seminar, and text-based employee communications. We are excited to partner with GuideSpark on their journey to revolutionize communications in the workplace."

Guidespark's challenge is that of being a disruptor, which is never easy. But its promise, by that same token, is very exciting. RH

HasOffers

www.hasoffers.com

Peter Hamilton

Software

Washington

Yes

» Advertising is still experiencing a major revolution, and as the capabilities and channels marketers use change, the complexity of their jobs increases. That's why there is a growing market of marketing management tools.

Tune builds software to help advertisers, advertising agencies and advertising networks to get more out of their campaigns. The company's Mobile App Tracking focuses, as would be expected, on the mobile side of marketing, while HasOffers allows users to create their own ad network.

The company was founded by twin brothers, Lucas and Lee Brown, and is currently headed up by CEO Peter Hamilton, who originally joined Tune as Chief Marketing Officer. Not long after his arrival, Hamilton was asked to take charge of the entire company. "As the CMO I was doing a lot of outward facing things for the company," says Hamilton. "It wasn't a big change. It went remarkably well and it seemed like a really natural thing."

One of Hamilton's first tasks was to raise funds. "We raised some money in May 2013, from Accel Partners. That was a really fun challenge for me. I thought this was something as a CEO I really needed to know how to do it. So I spoke to the partners and we agreed it was something I'd take on myself," recalls Hamilton.

The company went profitable back in 2010 and does not currently have any plans to raise more funds. The previous round was mainly used for strategic purposes, and also brought in an experienced partner for the board of directors.

The competition in the marketing services sector is high, but Hamilton believes the first mover advantage in mobile has given the company a major advantage. Mobile attribution and performance marketing has been a strength of the company since 2009, and that puts the company ahead a lot of rivals. "That first mover status helped us to get ahead in the land grab," says Hamilton. "I'd say that we stand out on the actual platform and the ease and the ability to work worth lots of partners in a transparent way." The company also prides itself on its customer service, which is available 24 hours a day.

And the customers certainly appear to be happy enough. "Using the HasOffers platform allows us to efficiently set up and deliver our campaigns at a very detailed level. We have a complete view of and access to all key data such as mobile device, carrier or offer. This information allows us to manage our platform, campaigns and publishers in real time," said Stefan Benndorf, Appiris Co-Founder on the company's website.

Tune also has an international reach, and around 30% of the company's business comes from Asia, a fact which has prompted a more rigorous targeting of the region. The company currently has over 215 employees, including some based in Seoul, San Francisco and Tel Aviv.

And on the financial side the company has performed well also. "Last year we did about $19 million and this year we're expecting more than 100% growth, that's being conservative. We'll be looking at at least that much." RH

Health Catalyst

www.healthcatalyst.com

Dan Burton

Big Data/Storage

Utah

Yes

» Most Enterprise Data Warehouses (EDWs) are designed for generic industries and they use an approach to data warehousing that requires 12 to 24 months and a great deal of data transformation to rollout. So when it comes to healthcare data, which is complex and ever-changing, the companies that provide this one size-fits-all approach often fall short.

Health Catalyst was founded in 2008, when its founders decided it was time to bring data-driven quality improvement to U.S. health systems of all sizes. The company's disruptive technology is the primary reason for its success, according to Dan Burton, Health Catalyst CEO.

According to a recent report by the research firm, KLAS, Health Catalyst's platform is "helping to redefine what EDW means in healthcare in a good way," and represents "a fresh and palatable approach to healthcare EDW that challenges traditional thinking and long projects."

Burton says the company's proprietary technology platform "works as well in the nation's largest health systems as in single facilities, giving it the potential to turn virtually any healthcare organization into the quality model of its region, ultimately raising the quality of care and lowering its cost structure."

The company's data warehouse platform is now utilized in more than 135 hospitals and 1,700 clinics that account for more than $130 billion in care delivered annually for over 30 million patients, he adds.

So what is proving so special about the company?

"The nature of Health Catalyst's architecture provides distributed clinicians with near real-time analytics in minutes rather than days or weeks," according to Burton. "The results are tangible quality improvements in processes that eliminate waste and increase efficiency."

Equally critical are the clinical processes that Health Catalyst implements to organize clinical teams around the data. Side-by-side engagement between Health Catalyst and clients allows knowledge transfer over time so the improvements are marked and sustainable.

Burton says one hospital customer achieved a 22% reduction in septicemia mortality rates and a savings of $1.3 million in the first 12 months of using Health Catalyst tools, while another reduced 30-day heart failure readmissions by 21% in six months.

But while the results are impressive, the market is extremely competitive, with a few large competitors (IBM and Oracle) offering a directly competing product (i.e., a complete EDW) and many companies offering various types of analytics applications. In addition, Health Catalyst competes for the business with internal I.T. departments developing their own proprietary data warehouses or analytics applications.

But the main challenge for Health Catalyst will be maintaining customer service levels and team member satisfaction with the influx of new clients, although with multiple awards under its belt specifically in those areas, the company is well positioned to deal with any issues.

Myra Davis, the Chief Information Officer of the Texas Children's Hospital, was quoted in a case study by the College of Healthcare Information Management Executives (CHIME) stating that she really liked the Health Catalyst solution because "it cannot be I.T.-led."


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Michael Dixon, partner at Sequoia Capital, is also a fan. "The market has reached a clear inflection point," he asserts."While most large healthcare organizations have crossed the first hurdle to capture medical records electronically, many are still struggling to turn that information into real improvements.

"Health Catalyst is helping their clients overcome these challenges and harness their data to save money, meet compliance needs, and most importantly, improve the health of patients."

Health Catalyst has raised nearly $100 million in private investment from the aforementioned Sequoia Capital, Norwest Venture Partners, Kaiser Permanente Ventures, Sorenson Capital, CHV Capital, and Partners HealthCare.

GAAP revenues aren't reported publicly, but the company recorded sales bookings of $45 million in 2013 and expects roughly double that amount in 2014. The opportunity is huge, as healthcare is behind other industries when it comes to data warehousing and analytics.

Health Catalyst expects a $5-$10 billion per year spend on healthcare data warehousing and analytics, but the focus is very much on the U.S.

"There is so much to do in the U.S. However, the technology and the principles that will transform U.S. healthcare also apply elsewhere," Burton says.

One of the key ways that Health Catalyst aims to achieve its goal of high growth and high satisfaction is through a significant investment in research and development. Burton recently announced the commitment to invest $50 million in the development of new analytics applications to sit on top of the company's foundational EDW. Burton also stated that the company plans to work to be at a sufficient size and scale to enable success as a publicly traded company within the next two to three years. RH

Hortonworks

www.hortonworks.com

Rob Bearden

Big Data/Storage

California

Yes

» The big data surge across multiple industries has led to the popularity of the Apache Hadoop platform, a software framework for the storage and analytics of large data sets. Hortonworks provides a 100% open source Apache Hadoop platform, built especially for enterprise-grade deployments.

The company's offering helps enterprises effectively and reliably run Hadoop at scale, and the company also provides technical support, training and certification programs.

In July Hortonworks announced a strategic partnership with HP in order to help address big data needs for enterprise customers, and HP invested $50 million in equity funding into Hortonworks as part of the agreement.

"The ability to understand data and put it to effective use is now more crucial than ever," said Colin Mahony, general manager, HP Vertica. "Hortonworks has demonstrated outstanding dedication and expertise in addressing the business and technology needs of its customers within this new era of information and data, and we look forward to partnering with the Hortonworks team to deliver innovative big data solutions to our customers."

Hortonworks CEO Rob Bearden was also pleased with the partnership. "We are extremely pleased to work more closely with HP to accelerate our joint customers' transition to a modern data architecture. Through deep integration with Enterprise Apache Hadoop, HP customers will be able to easily build their next generation of applications with the Hortonworks Data Platform."

The big data market is fairly crowded, and the company will need all of the experience of its CEO should it rise to the top. Bearden is a former COO of SpringSource and JBoss, both open source companies. The company is backed by Yahoo! and Benchmark Capital. RH

iBuildApp

www.ibuildapp.com

Rafael Soultanov

Mobile

California

Yes

» For many small and medium businesses, particularly those in the service sector, it is just too expensive to have their own iPhone or Android mobile application. Hiring a programmer to build one is costly, while learning how to code from scratch is a grueling and time-consuming process. But thanks to iBuildApp, a San Francisco-Based firm set up in 2010, even programming novices can create an app with its easy-to-use developer toolkit.

CEO Rafael Soultanov launched the company just before the meteoric rise in mobile app development. In Apple's App store, the cumulative total of downloads increased from 5 billion in June 2010 to 75 billion in June 2014. In July this year the total number of apps downloaded to Android devices topped 50 billion.

"We saw this increase of iPhone apps after everyone wanted one. So we decided it's much easier if we create framework to create mobile apps without any programming," says Soultanov.

The iBuildApp toolkit lets users simply 'drag and drop' pre-built icons into different design templates on a virtual phone screen. These templates, which can be found in iBuildApp's marketplace, range in price and complexity depending on the type of features that customers want. There is no fee to build the most basic app, which is limited to 25 downloads and 500 mobile web visits, but users then pay a subscription to access more advanced development features.

Another source of income is the template marketplace, which is similar to Apple's App store and takes a cut of each template sold.

The market of platforms for mobile app development is increasingly crowded, with a number of boutique firms offering specialized services. One such competitor is Mobile Roadie, which started in 2009 to focus on apps for musical acts but has since branched out.

The biggest challenges according to Soultanov are educating its users on how to get the most out of its tools, and to keep up with the rapid changes in app development itself. "The main threat is customers not really understanding how to use the platform. It's a very competitive space and people are not [going to] use an app that is out of date," said Soultanov.

The company has so far raised $1.5 million from friends and angel investors, and is still looking for additional funding. Soultanov believes he can increase current revenues of around $55,000 by up to 20% with increased focus on mobile advertising. According to Gartner, the technology research firm, spending on mobile advertising will reach $18 billion in 2014.

While the total addressable market is large enough for many players, the diversity of mobile app building platforms makes it difficult for one to stand out. iBuildApp has to make sure it has the most user-friendly and comprehensive platform to continue growing its market share. The company's rise has been well timed, and now it can enjoy the fruits of its labor, although there is plenty more hard work on its path to future success. RH

iCIMS

www.icims.com

Colin Day

Software

New Jersey

Yes

» The recruitment game has changed. In the LinkedIn age, the resume has become passe. You now need a social presence. The most affected by the altered talent acquisition landscape, are companies caught up in the race for talent.

Giving that edge to companies in that position is iCIMS, Inc. "We are Software-as-a-Service company working in human capital management. Our core belief is that talent acquisition is its own beast and deserves its own specific solutions. Recruiting is innovating at a great pace. It's become heavily mobile, video and social driven. If you are doing it all, you lose out on innovation. Hence, unlike others, we focus purely on talent acquisition." Colin Day, Founder and CEO of iCIMS says,

iCIMS talent management platform, with its end-to-end talent acquisition suite, oversees the whole hiring process for a company. The platform covers the initial screening, filtering and recruitment, through to connecting and verifying the candidate to the final 'onboarding' — which includes the after-hiring paperwork and transition of the candidate into an employee of the company.

According to Day, it's this singular focus on one single expertise done well, that makes iCIMS stand out from its competition. Day describes iCIMS approach as pure SaaS. The 'secret sauce' in iCIMS, according to Day, is a back-to-basics approach where the focus is on upholding the best of the SaaS model - a single highly configurable software platform that goes through frequent improvement cycles, immediately available to all of iCIMS customers. It's an approach that has paid off for the company.

"When we started there were hundreds of players. Now we compete against categories. We have just a handful of companies competing against us. And of those, we are the largest independent player," Day says. The U.S. talent acquisition market is pegged at $22 billion, of which $5.5 billion, according to iCIMS, is its total addressable market. "The market is growing at the rate of 12% per year," says Colin.

iCIMS was founded by Day in 1999. The idea spun out of an in-house recruitment system that he had helped build for the I.T. staffing firm Comrise Technology, where we was working as recruiter. "My boss at Comrise was the first investor in iCIMS. He gave us $2 million to start the company."

The company however faced its first challenge the very next year - surviving the dot com bust. "We had to fire two-thirds of our staff. That early experience set the DNA of the company - growth and profit. We have been debt free. We decided no debt. And because of the fact that we had to fight for survival right from the start, we have shown profits unlike other SaaS companies," says Day.

The company's GAAP revenue has grown at 36% the past two years. Over the same period, recurring revenue has been 97%, net revenue retention 105% and EBITDA margins has been maintained at 10%. iCIMS customer renewal rate has been 97%.

The company has received $35.9 million in equity over two rounds of funding, including minority growth equity from Susquehanna Growth Equity (SGE) in the latest round in 2012. "We are not actively looking for investors right now. There isn't a strong need for it. But we are not opposed to opportunities. We are eyeing the possibility of going public," says Colin. The company is currently prioritizing the U.S. market in which Colin says iCIMS has enough room for growth.

Scott Feldman, Director, SGE says, "We have been watching iCIMS and the talent management software space for quite some time and believe this well-managed, nimble, and extremely profitable SaaS company will continue to devour market share in the vast SMB space. iCIMS has all of the makings of a SaaS giant on the march: strong leadership, clear strategic vision, innovative products, outstanding customer service, and employees who are invested in the company direction. We are very excited about the role our investment will play in the elevation of iCIMS' success."

iCIMS real test came early. It survived the dot com bust and in doing so cracked the most important code of all — that of profitability. Now the good times beckon and the company is ready.

ImaginAb

www.imaginab.com

Christian Behrenbruch

Life Sciences/Biotech

California

Yes

» Despite major advances in diagnosis and treatment, prostate cancer remains a major problem for men worldwide. In the U.S. alone there are two million sufferers of the disease, which can be symptomless and, according to experts, becomes more prevalent the older men get.

"Everyone's risk increases just by getting older," says New York's Mount Sinai men's health program director Leslie Schlachter. "Men in their 80s or 90s have a higher risk than men in their 50s." Such is the threat that every September the U.S. observes National Prostate Health Month (NPHM), to raise awareness similar to that of breast cancer. One in seven men will develop the disease during his lifetime.

Because it is such a stealthy problem, prostate cancer is difficult to pick up early. Dr Christian Behrenbruch and his team at ImaginAb may have found the answer. ImaginAb, a 2007 spin-off from UCLA and City of Hope, a top cancer research hospital in southern California, focus on re-engineering antibodies into smaller proteins made optimal for diagnostic imaging. It also develops companion imaging agents, and its technology allows antibodies into biospecific versions which enable clinical imaging.

ImaginAb's innovation enables imaging for diagnosis of a number of issues. But its particular strength in exposing the lower abdomen has raised hopes that it could provide a significant breakthrough in the fight against one of cancer's most virulent strains.

Co-Founder and CEO Behrenbruch is a serial entrepreneur and highly-qualified biotech expert with a PhD from Oxford and MBA from New York University and the London School of Economics. Behrenbruch was once Vice President at Siemens Molecular Imaging, and has since brought considerable funding to ImaginAb's projects.

In March 2012, $12.5 million in Series A funding came courtesy of Novartis Venture Fund, Momentum Bioscience and Cycad Group. Then a further $21 million in May 2014, with investors such as Merieux Development, Nextech Invest, and further cash from Cycad and Novartis. In total $43.5 million has been invested in the company, in which Behrenbruch has a deep faith.

"We've raised about $33 million from venture capital sources and another $10 million or so in non-dilutive financing," he says. "We are starting to use our platform technology in collaboration with global pharmaceutical companies for clinical trials, but the real dollars start when we - hopefully - start selling our clinical products in a few years' time. We are currently in Phase II development - our products are not yet approved by the FDA."

That, Behrenbruch feels, is simply a matter of time and money. It has also been made simpler thanks to a number of collaborative deals with major competitors and market leaders, with which ImaginAb will speed research and scour the globe for innovation and business acumen. On May 19 the company teamed up with pharma giant GlaxoSmithKline to establish research connections. And in September it paired with Leipzig, Germany-based Novotectid, to spread the influence of its technology.

The approach appears to be working. To date ImaginAb has around 35 employees based in offices in Los Angeles, Singapore and Tokyo - a number that Behrenbruch believes will grow by around 15 by the end of 2014. It also had around 30 collaborations globally, and significant IP with international coverage.

And ImaginAb's technology doesn't stop at its work combating cancer. It has a second program in place, which is developing drugs for rheumatoid arthritis, which affects over 5 million patients in the U.S. and E.U., and currently has no empirical diagnosis.

It's a busy time for Behrenbruch and co, who will spend the next year expanding dialogs with pharmaceutical companies that, according to the CEO "are interested in the next frontier of personalized medicine." The company's Singapore operation focuses on Asian disease forms, with Tokyo building bridges with clinical collaborators.

"If we can detect cancer when it is a few mm in size, we can give patients huge options they never had before," concludes Behrenbruch. "Even better, if we can image the targets that are meaningful to therapeutic drugs, we can also make sure that the patient gets the right drug. This can have a very big impact on patient outcomes." For ImaginAb, there is far more at stake than the bottom line.

iPipeline

www.ipipeline.com

Tim Wallace

Software

Pennsylvania

Yes

» Some industries welcome technological change with open arms. Others, such as the insurance sector, are more resistant. But for the companies able to revolutionize the efficiency levels of these spaces, the rewards are huge.

One company doing just that to the insurance and financial services sectors is iPipeline, a Pennsylvania-based company which offers software to help marketing, sales and processing. Tim Wallace, CEO of iPipeline, joined the company in 2008 after previously being asked to evaluate the firm for investors. "The investors and I looked at that and we thought this was a great company and would make a great investment. They said this is awesome, how would you like to run it at some point in time? We came to an agreement and in July 2008 we recapitalized the company and took it over," says Wallace.

From there, the company embarked on a new long term vision, which has been carried out impressively. New technology was built, the executive team was added to, and iPipeline has raised a further two rounds of funding since Wallace joined. The latest was a $12 million investment from Technology Crossover Ventures. Now profitable and with plenty of cash, the company is looking towards an IPO at a future date.

The market is not particularly crowded, despite being potentially lucrative. iPipeline differentiates itself by integrating its solutions fully between the insurance brokers, agents, IFAs and the carriers. "We have a unique ability to service all constituents whereas some of the other players can't go much past the carriers. One company that tries to compete with us more than the other but we really don't see them that much is Ebix," says Wallace.

The insurance market does bring challenges, however, and the biggest one is convincing a reluctant older generation of sales people to adopt new technology. "Life insurance is sold its not bought, it's not something consumers think of going and buying. It's a relationship sale, door to door. As a result there was never pressure for that process to be automated," explains Wallace. "You've got your average life insurance agent who is 57 years old, he's been selling this way for 35 years, probably has never used this technology and might not even have a smartphone. And you're asking him to use this technology. It's a big behavioral change to ask a person to go through."

But as that generation of agents gradually retires, younger insurance professionals are demanding automated, efficient technology to help make their lives easier. The adoption within some of iPipeline's customers is already high. "At Bankers Life we have been moving all of our insurance applications to an electronic format and we have been deploying iPipeline's iGO solution to do so. We currently have implemented that solution on most of our products and intend to have electronic applications for all of our products within the next 6-12 months," says Scott Goldberg, President at Bankers Life. "We've had extremely high adoption with the iGO platform; it's now being used on over 80% of the submissions for which we've deployed the solution. And it's enabled a number of efficiencies."

Financially, iPipeline has performed well. The company is shooting for around $90 million in billings, according to Wallace, which will transfer to around $75 million in GAAP revenue, an increase of 30% from the previous year. Going forward the company will hope for continued success with its new product, AgentOne, and will launch new products in the future. As the insurance sector embraces technology fully, iPipeline will be on hand to prosper.

JAB Broadband

www.jabbroadband.com

Jack Koo

Internet/Online

Colorado

Yes

» Most people in the U.S. take their internet access for granted. But there are some areas which are desperately underserved by the traditional wireline broadband companies. That's where wireless service providers are stepping up to give reliable, high speed internet to those left frustrated by lack of coverage.

JAB Broadband is the largest of all the U.S. wireless internet providers, and is growing fast. The company uses an aggressive acquisition strategy to expand rapidly, and has completed over 100 acquisitions to date. "Our business plan allows us to acquire these companies at very attractive valuations for these operators. But to our own synergies and scale economies, the value of these assets roughly doubles. With our significant access to capital, we're then able to upgrade the networks to provide higher speeds and greater reliability," says JAB Broadband CEO Jack Koo.

This strategy has paid off in buckets, as the company has reported revenue growth of 43% CAGR over the past five years, while cash flow has grown at 93% CAGR over the same period. According to Koo, there are around 2,500 wireless internet service providers across rural America, and they serve over 3 million customers. The majority of these are small, local and lack the resources to provide the really fast and robust services that can compare to that offered to customers in more built up areas. When JAB Broadband buys one of these smaller operators, there are multiple winners: JAB increases its coverage and customer base, the smaller company receives a good price for its business, and the users benefit from a faster service. "We typically offer speeds of up to 20mbs, in areas which are generally served by DSL offering 1.5mbs. So we've been successful in every market we've entered to become the dominant fixed wireless provider," says Koo.

In 2010 the FCC revealed its national broadband plan, which set the target of providing 100mbs of speed to 100 million homes, over the next 10 years. Fixed wireless technology currently has the capability of providing up to 40mbs, but that is changing fast. Koo states that the advances in the technology will mean that speed is doubled in the next 12 months, and doubled again in the near future. "Fixed wireless is as well positioned as anyone to meet this FCC mandate. And it's a roughly a tenth of the network costs of wire line networks," Koo explains.

That technology advancement is only going to continue with the convergence of fixed wireless and LTE, according to Koo. "I think that the technology on the wireless side will continue to advance at this pace, given this convergence of the fixed wireless technology and with LTE. LTE faces the challenge of being a network that is in very high demand but is significantly over capacity right now so all the advancements are through increasing capacity, increasing speeds and fixed wireless is a beneficiary of all of those."

The company also offers a commercial service with even faster speeds. JAB Broadband's offering for businesses boasts speeds of up to 1GB/s, which is faster than fiber. Providing fast speed broadband to businesses is of course, not only beneficial to the companies and JAB, but also to the U.S. economy as a whole.

JAB Broadband has received plaudits from inside its industry as well as outside. Last year the company was named Operator of the Year by the Wireless Internet Service Provider Association (WISPA). "WISPA recognizes and applauds JAB Broadband in bringing wireless broadband service to communities and families across America," said Rick Harnish, WISPA Executive Director. "Through their efforts, JAB successfully embodies the full range of benefits and quality which wireless Internet service providers offer their customers." The company was also named an Inc. 5000 Fastest Growing Company.

Now JAB Broadband's main goal is simple: to continue to grow in the same way it has been. "We feel like we have a huge runway in front of us and almost unlimited M&A opportunity. We feel like we have a very strong competitive advantage in broadband, which is one of the fastest growing industries out there right now, so our plan over the next several years is to continue to exploit this opportunity and our options going forward will be attractive," concludes Koo. RH

Kahuna

www.usekahuna.com

Adam Marchick

Mobile

California

Yes

» Some companies fire out emails to databases at nine in the morning, selling a particular item, because they have the idea that it is the best time to contact people. Undoubtedly most of the people on the list will never open the email, and for the majority it may be an item they have absolutely no interest in. This approach is not efficient and it rarely achieves the aim of piquing the interest of the potential consumer.

The ability to time advertising emails, push notifications or SMS that are not only relevant, but also personalized, creates a selling point that is incredibly powerful. An ability to do just that is what drove the creation of Kahuna, according to Founder Adam Marchick.

"We started by listening and we went out to mobile marketers at large companies. The three that were really formative were PayPal, Sephora, and Staples, and we asked them how was mobile going?" he explains. "And we heard 'oh my goodness, we put out a mobile app as a skunkworks project and four months later it was 40% of our traffic going to 80% of traffic', which was really cool."

The next question was 'how many mobile customers do you have?' and what Kahuna found was the existing analytics infrastructure and marketing infrastructure was not focused on people. "They assumed one person had one device and one email address and that's fundamentally changed," Marchick asserts.

“A person has multiple devices, uses Facebook, Instagram and has three email addresses, so the first thing is understanding how many people they had using mobile.”

In 2009, Marchick was part of the Facebook growth team that was focused on engaging with people in the best way possible, whether by email, SMS, push notification, or Facebook messaging, but also in a fundamentally different way in order to engage with someone in a way they actually enjoy.

This exploration at Kahuna was conducted alongside Co-Founder Jacob Taylor, founding CGO of SugarCRM, which now has 4000 customers and IBM's CRM system. Once they had the feedback, they started coding.

“We rethought analytics and understanding the person and the reason why is we first hand saw the power of personalization,” Marchick continues.

While Kahuna is marketing automation for mobile, it is also a usage and revenue company. When a customer is signed up, customer success is a priority, Marchick says.

Marketing automation is a potential $22 billion market, going to $30 billion in the next three to four years. But mobile is certainly being a disruptive influence. With that much potential lucre, there is plenty of competition, although Marchick firmly believes it's a good thing.

When the company is competing, it's typically against ExactTarget, which is now part of SalesForce.com and Responsys, which is part of Oracle. And when it comes to challenges, Marchick simply says “the biggest thing is this stuff is really hard.”

“I was Facebook and Oracle, Jacob was SugarCRM and Symantec, we have a number of Google alumni so the technology we are building, it takes a great engineer, so finding more great engineers [is a challenge] - we are always hiring,” he explains.

There is also an element of educating the market. The company has a brand new office to house the ever-expanding team. Funding has come in the form of SofTech VC's, Jeff Clavier's and Charles Hudson, who is on Kahuna's board.

“I give them a lot of credit, they funded us the day we incorporated,” says Marchick. “What was important for us for the seed round is I wanted to get A+ CEOs involved in the company that were relevant to our industry so by hook or by crook I got 10 of them.”

And then in January/February, it was time to grow faster and Sequoia led an $11 million Series A round.

Customers include big names, spread across 10 countries and with recommendations from people such as Tim Kendall, Head of Product Management for Pinterest, clients are signing up quickly. “User Engagement Analysis is critical to understanding how people value your service, and more importantly, why they come back again and again,” Kendall says.

The San Francisco 49ers has also been pleased with the results of working alongside Kahuna. “The 49ers want partners who share our passion for innovation,” the group said in a statement. “Kahuna was the easy choice for us with regards to our San Francisco 49ers app. They are truly best in class and we look forward to providing a mobile experience for our fans that is second to none.”

With passionate founders, a cutting edge product and satisfied clients, it's looking like a great deal of success is on the horizon for Kahuna. RH

Kareo

www.kareo.com

Dan Rodrigues

Software

California

Yes

» When Dan Rodrigues started working in the healthcare sector through consultancy work, he realized he had found a market that was ripe for the right type of technology. In 2004 he founded Kareo and began to act on that realization.

“There was a huge market, big problems to be solved and technology that was behind the time and I thought ‘wow, talk about a major industry vertical in this country that has yet to be revolutionized by technology’, healthcare seemed like the last great hold out,” Rodrigues, the CEO and Founder of Kareo says.

Kareo attacks the healthcare market in a fairly unique way. Instead of going after the larger healthcare providers and hospitals, the company provides its best practice software and solutions to smaller practices with fewer doctors. This is a largely underserved market according to Rodrigues. “We do have practices up into the 20 -40 doctors, but the vast majority of our customer base is up to 1-10 doctor practices, and the 1-5 doctor practices is our sweet spot,” he explains. “We charge a low monthly fee, we don't charge large setup fees, we don't have long term contracts and customers can sign up online with a credit card and get up and going in days rather than months. Those are all things valued by small businesses.”

As the healthcare sector has adapted to an influx of new technology, so has Kareo's offerings. The American Recovery and Reinvestment Act of 2009 changed the face of healthcare I.T. drastically, and ushered in a wave of electronic health record (EHR) products into the sector. The mandate stated that any healthcare provider using EHR technology that fitted certain guidelines was eligible for cash incentives. Kareo was not among the first slew of companies jumping onto the EHR bandwagon, but instead waited until early 2013 to make the move. The company's traditional offering had been billing and office software, which has given the company firm footing in the relatively new territory.

"It was good that the early growth and development of the company was built around solving customer needs, absent of government subsidy-fueled growth of the market. It helped make us a healthy company," says Rodrigues. "It also enabled us to get to a certain scale and customer base so that when we moved into electronic health records we were able to do it in a way that makes sense and provide a really great solution."

The government incentives scheme to encourage EHR adoption has created a crowded market of solutions, some of which merely tick the boxes required by the mandate without properly addressing the problem in an innovative or efficient way. However, overall the Recovery Act has been welcomed as it has spurred on a number of cost saving initiatives that help reduce expenses in the costly healthcare sector.

Kareo is enjoying success in a rapidly changing and growing market. Rodrigues states that the company believes the software related services for small practices market is a $7 billion opportunity, which is set to grow over the next five years to $11.5 billion. This growth is being fueled by a shift from on-premise solutions to cloud-based systems such as Kareo's.

The company's success has enabled it to attract $62 million in equity funding, including a $29.5 million growth round in January. That round of financing was led by Greenspring Associates and joined by OpenView Ventures and Silicon Valley Bank. "It's been exciting to watch the impact that Kareo has had on small practices, including the recent launch of Kareo EHR and Billing Services," said Jim Lim, partner at Greenspring Associates at the time of the funding. "Given the company's track record of rapid growth and market leadership, we jumped at the opportunity to deepen our partnership with Dan and his management team."

Kareo is now focused on growing its offerings and fighting off competition in the market, although most of it is focused on the bigger healthcare providers rather than the smaller practices. "We think we can continue to grow by about 40% for the foreseeable future. We're growing very quickly and it's all about execution so we're focused on building a winning team and culture that will enable us to continue hitting our goals and be successful," concludes Rodrigues. RH

Klocwork (Rogue Wave)

WWW. www.klocwork.com

CEO Brian Pierce

Software

Colorado

Yes

» Coding is king when it comes to the reliability, functionality and security of any company's software.

It means any enterprise that can provide robust, expertly crafted code analysis tools will be in demand.

Klocwork is one of these companies and it helps software development organizations create better code, by providing source code analysis tools that enable developers to quickly and accurately identify critical security vulnerabilities and reliability issues.

It boasts a range of products that address the needs of different sectors and specific company solutions.

Klocwork Insight is a static code analysis tool used to identify security and reliability issues in C, C++, Java and C# code, which includes numerous desktop plug-ins for developers, metrics and reporting.

Its Klocwork Cahoots code review tool can be used on its own or integrated with Klocwork Insight. It allows code reviews to be performed online where reviewers can review code, insert comments and subscribe to reviews as they wish.

Headquartered in Burlington, MA and with an R&D base in Ottawa, ON, Canada, Klocwork was founded in 2001, emerging out of Nortel Networks.

The original technology was aimed at allowing large-scale source code analysis to optimize software architecture for C code inside Nortel Networks.

Since its creation, the company has amassed more than 1000 customers across various markets including embedded security, automotive, gaming development, military and aerospace, network and telecom to name just a few.

Customers are a list of who's who in each sector including NASA, Mitsubishi, Philips, Bosch, Schneider, Toyota, and the impressive list goes on.

"We chose Klocwork over other competing software quality assurance tools because of prior success within other Motorola groups, its incredible performance in our rigorous real world testing scenario, and its ability to report the most effective findings," says Faridah Gozleveli, science advisory board associate, Motorola.

The company raised $10 million in series C funding led by Mobius Venture Capital. Investors Pequot Ventures, U.S. Venture Partners, and Cisco Systems also participated in the round.

"Klocwork's static analysis solutions have delivered significant ROI to some of the well-respected corporations in the world, including 10 of the Fortune 100," said Brad Feld, managing director, Mobius Venture Capital, at the time.

"A growing number of companies are looking for automated solutions that systematically address software security and quality defects during the development process."

At the start of 2014, Klocwork was bought by Rogue Wave Software. Its CEO Brian Pierce said Rogue Wave had "consistently provided market-leading frameworks and tools used by developers to enable software everywhere".

"With the addition of Klocwork, we greatly enhance our customers' ability to create secure and reliable code, while expanding our offering from the enterprise to the embedded development market. Klocwork's innovative team and technologies are an incredible addition to the Rogue Wave family." RH

Lancope

www.lancope.com

Mike Potts

Security

Georgia

Yes

» Digital security has entered a new era. Solutions which attempt to keep the threats outside of a network or device are no longer enough to ensure attacks are not successful. As a result of this shift, security intelligence and network visibility offerings, such as those Lancope provides, are now essential.

Earlier this year Symantec dramatically announced the death of the anti-virus system, saying it was no longer feasible to protect threats getting through. Although Lancope offers an alternate type of protection, CEO Mike Potts believes that the downfall of anti-virus protection has been prematurely called.

"I don't think AV systems are dead, the best line of defence is to lock your front doors, but we all know that's not enough right now. The perimeter is porous, users are doing things inside the network that the perimeter doesn't pick up, so that's driving the whole Security 2.0 market," Potts says.

Lancope's major offering is StealthWatch, a system which helps companies detect attacks from both inside and outside a network. StealthWatch does this by collecting and analysing flow data and gives companies early indicators an attack is taking place, allowing them to accelerate their response times, reduce risk and improve the chances of finding out what went wrong to allow the attack to occur.

Customers have been more than satisfied. BlueCross BlueShield of Tennessee said of the system: "Before StealthWatch, we manually analyzed and correlated our network activity data. StealthWatch automatically gives us detailed network insight through a single, easy-to-use interface, aiding our security, network operations and compliance efforts. Like a Swiss Army knife, StealthWatch seems to offer limitless capabilities to dissect and analyze network behavior data. We can put this information to many different uses across our security, network and government business operations groups."

The quality of the Lancope offering and the favourable market conditions mean the company is growing fast. Currently Lancope employs well over 200 people, a jump from 50 just three and a half years ago. Around 80% of the company's business is domestic, but international sales are spread out over several continents.

That high level of expansion provides one of the Lancope's biggest challenges, as Potts reveals maintaining the integrity and health of the company while scaling fast is of the upmost priority.

The digital security issues facing all companies cannot be underestimated. The sophistication of attacks is constantly increasing, and the number of high profile breaches in the news has risen over the past year. Potts believes the digital security sector needs to work together more in order to conquer the challenge these attackers present. "I think we all need to realize that there's no silver bullet in this market. We are going to have to be more open to form some of these ecosystem partnerships to compliment an altruistic point of view, to not only solve the commercial but also the government and the intel challenges."

The number of companies prescribing to the ideals of Security 2.0, and the need for heightened checks, is increasing. "Companies are looking for solutions to detect these attacks that are inside the network already and it takes a different types of security intelligence and operational visibility to mitigate these types of attacks," says Potts. "Our activity

has continuously increased because there is an increasing awareness of the need for a different level of security."

But Potts says there is still a long way for the market to grow, and predicts that we are just at the start of the Security 2.0 evolution. Potts estimates that the penetration level of Security 2.0 systems stands at around 30-40% currently.

As more and more organizations realize the need for services such as Lancope's the market is only going to increase, and with a solid yet innovative product, the company can expect great success throughout the era of Security 2.0 and beyond. RH

Load DynamiX

www.loaddynamix.com

Philippe Vincent

Big Data/Storage

California

Yes

» Philippe Vincent, CEO of Load Dynamix, has had a very busy year. The long-term tech businessman, a veteran of BigFix, IBM and Accenture, has nurtured his firm's rapid rise to market domination, and sees no end to its potential.

Load Dynamix has amassed $19.3 million in funding in two rounds. The first was a $7.3m Series B in September 2012, with cash coming from five firms: Core Capital Partners, Miramar Venture Partners, Benhamou Global Ventures, Kinetic Ventures and Azure Capital Partners. A further $12 million was raised this May. Kinetic, Benhamou and Azure all invested again, plus additional money from Menlo Park, CA-headquartered HighBar Partners. "This should fund the company's growth in product development and customer-facing initiatives for the next two to three years," says Vincent.

2013 was a bumper year for Load Dynamix, in which sales far exceeded expectations, beating 2012 figures by 300%. That was the year in which the company switched its name from SwiftTest, which had been its moniker since its foundation in 2008. Back at its inception the company helped client assess the impact of workloads on their storage capacity. Today Load Dynamix is used by every major storage vendor, and the majority of storage startups.

"The reality is that we are much more than a testing company," the firm announced upon its name change. "We have evolved into a workload analytics, workload modeling, and infrastructure performance validation company."

Since then Load Dynamix, which kept its Santa Clara, CA base, has grown by around 100% per year. And despite plans to expand past its traditional customer base in North America in 2015 (which includes, to a lesser extent, clients in EMEA and APAC), Vincent is focused on combating storage buyers' propensity to over-provision their systems.

"Most I.T. buyers significantly over-provision their storage systems by a factor of two or more because they really don't have a good understanding of application workload performance requirements," he says. "They fear they will suffer a performance-related outage, so they overbuy to compensate."

Vincent believes that his total addressable market is somewhere in the region of $1 billion, based on an overall enterprise storage market of almost $25 billion per year, and the value of Load Dynamix' solution, which he claims can knock 20% to 50% off storage expenses. "Today, storage makes up nearly 40% of the I.T. hardware budget and this percentage is increasing," he adds. "Load DynamiX helps I.T. organizations control their escalating storage costs.

"They will know performance characteristics and the 'breaking points' of their storage systems well before they deploy them into production," says Vincent. "This eliminates performance surprises and downtime…with the right performance requirements data, over-provisioning of storage, which is rampant in the industry, can be practically eliminated."

With expansion and consolidation of its storage market on the agenda for 2015, Vincent already has a lot on his plate. And the next twelve months will also bring no shortage of innovation, as Load Dynamix looks to continue its impressive growth beyond that of its competitors. "Our primary competition is from public domain performance testing software running on large racks of servers running hundreds of virtual machines," he says. This involves a very complex configuration, with significant custom scripting, that is very people- and resource-intensive.

"Load Dynamix offers a comprehensive 'performance validation system-in-a-box' that requires a fraction of the human and financial resources of alternatives," adds Vincent. "Load Dynamix increases the productivity of I.T. architects by an order of magnitude." According to Vincent, the company is focused on product development that makes its performance validation appliances easier to use for storage architects, combined with more advanced levels of test automation. It might be doubtful so much could be achieved in such a short space of time. But Load Dynamix has plenty of form. RH

LocalResponse

www.localresponse.com

Kathy Leake

Marketing/Advertising/SOE

New York

Yes

» The upsurge of activity on social media has created a modern day gold rush among analytics companies, with each panning this data-stream for nuggets of insight about how consumers act.

According to a recent "Internet Trends" report from renowned tech analyst Mary Meeker, by 2016 two thirds of the digital universe will be both created and consumed by consumers, such as those interacting with each other on social media.

Local Response is a start-up hoping to build a dominant market share on the back of this explosion of marketing data. The firm specializes in modeling online interactions to identify key phrases and actions that show a consumer's intent to buy a particular product.

Unlike other similar companies, Local Response is able to identify an individual across multiple online and technology platforms. The company's propriety technology ranks these social media signals to find shoppers at the critical moment, the so-called 'mid-funnel' of sales when they are looking for more information about a particular brand or product. Patents on their technology are currently pending.

"We are the only ones to own this area of the funnel because our unique, declarative data set demonstrates that consumers are already raising their hand. Our "Return on Intent" analytics suite drives consumers further down the middle of the funnel – the most influential point in the purchase cycle," says Kathy Leake, CEO of Local Response.

The firm has raised $7.2 million since its launch in 2012 and its early investors included Cava Capital, Vodafone Ventures and Metamorphic Ventures. Local Response's revenues in 2013 were $9.6 million and Leake is forecasting total earnings of $20 million for 2014.

With up to 13 zetabytes of social media data by 2016, more than three times the amount produced just a year ago, Leake estimates that the online advertising industry will grow into a $116 billion market. However, this kind of data analytics is already a crowded market with over 960 separate companies offering their own flavor of insight into online consumer behavior.

In addition to specialized metric firms, Local Response also faces competition from the social media companies themselves. The business models of Facebook and Twitter rely on providing marketing departments with detailed analytics of consumer intent based on their own data.

The major challenge, according to Leake, is keeping its own database of social media interactions as up to date as possible, while diversifying it enough to innovate new services. To do this Local Response is investing in its data partnerships as well it's marketing to improve the visibility of its services.

"Over the next 18 months we'll continue to scale the business along the lines of our historical two times growth rate, while defining intent targeting for the ad ecosystem. By 2015 we are planning to expand internationally," says Leake.

Being able to track individuals across social media platforms as well as between desktops and mobile is a significant competitive advantage for Local Response. Real-time marketing analytics is still in its infancy and if the firm continues to invest in its technology then it stands a good chance of becoming a market leader. RH

Looker

www.looker.com

Frank Bien

Software

California

Yes

» Data is only as useful as the information — the intelligence and the insight — which can be gained from it. While one aspect of the Big Data revolution has been the proliferation of data, an associated other has been the change in the way we analyze, query and curate that data.

In a Big Data world, everyone uses data, and that means not just physical access to data, but also intellectual access to it – namely the ease with which data can be looked into and the ease with which it can be explained.

Looker is a business intelligence company that is trying to re-invent modern data analytics by making data more intuitive to use and show.

"About two and a half years ago we were asking ourselves how businesses could use data in new ways and we realized that there was a new era of data infrastructure but no new tools to mirror that change. We realized that what was needed was a completely new architecture for data analytics. That's what we have done with Looker," Frank Bien, CEO of Looker, says.

Looker's opportunity has come from a couple of factors. One is the changes in the way data is being stored and accessed, and the other the increasing complexity of the data itself. Looker's response has been to bring a new approach to data —a modern way to explain, relate, visualize and explore data across complex organizations.

"We have had great customer traction because they haven't even seen most of the tools we provide them. Our platform gives companies with complex data structures, very repeatable value creation. Why? Because we have made it really simple and intuitive for end users to find data. And because of our tools for data analysts that makes it easy for them to explain that data to businesses," says Bien.

Haleemur Ali, business intelligence specialist at Frank and Oak, a data driven online men's clothing retailer and one of Looker's customers, described Looker's value add for his company to the trade publication CiteWorld.com in the following way, "the way we perceive Looker is not as a BI tool that's going to give us metrics of the day but as an intelligent query building system. The idea is really to be able to get up to the minute data and react to it. We wanted to be in charge of the data model building and Looker has a very intuitive and clear way of doing that. Looker really allows me to customize the data model for our needs, rather than wait on another company that provides the BI tool and wait on their analyst to build it out."

The Business Intelligence space is a crowded marketplace but in re-inventing it, Looker is looking to displace the incumbents. "We are not directly competing on price. We are price comparable with the incumbents while providing the sophistication of enterprise BI tools. It's potentially an $18 billion opportunity for us," says Bien.

Looker's customer base has grown from 20 last July to over a 100 currently. By the end of next year, Bien says the customer base will be closer to 500. Among the company's current customers are eBay, NYT, Gilt, Frank and Oak and Upworthy.

Founded in 2011, Looker was born out of the combined experience of two veteran internet entrepreneurs Lloyd Tabb and Marc Randolph. Lloyd who is the Founder, Chairman and CTO, was originally with Borland International as a database and language architect. He is also the founder of Commerce Tools which was acquired by Netscape in 1995. Marc who was the co-founder and first CEO of Netflix, is as an active board member and Operations Advisor at Looker. Looker has raised a total of $18 million in two rounds through Red Point, Pivot North and First Round Capital. The company is not looking for investors at the moment.

Looker is the bright eyed, new-kid-on-the-block in the BI space and is answering a real need coming out of fundamental changes in the data landscape. RH

Malcovery Security

www.malcovery.com

Greg Coticchia

Security

Pennsylvania

No

» A decade ago, prominent investors saw cyber security as a mature, if not declining, industry dominated by a handful of companies.

According to a 2002 study by the technology research firm Gartner, just five vendors - Symantec, Network Associates, IBM, TrendMicro, and Check Point - controlled 60% of the $3.5 billion market.

Since then the industry has been shaken up by a boom in new start-ups offering various kinds of tailored threat protection. Between 2011 and 2013, venture capital investors pumped nearly $3 billion into cyber security companies, resulting in new funding for some 300 firms.

Today increasingly sophisticated cyber attacks threaten enterprises. Phishing scams and fake emails masquerading as trustworthy ones, which then try to gather sensitive information, cost U.S. consumers and businesses $5.9 billion last year according to the cyber security firm RSA.

Gary Warner, then director of research in computer forensics at Birmingham's University of Alabama, watched the phishing threat proliferate and began developing tools to combat these attacks.

In December 2012 he joined up with Greg Coticchia, a serial tech entrepreneur, to commercialize the fruits of his research by setting up Malcovery Security. "We're talking trillions of phishing emails and malware attacks, stopping them is like playing whack-a-mole," says Coticchia, CEO of Malcovery Security.

"What we're doing is locating all that data and analyzing it to find the source and nature of that attacker," he adds.

The firm's propriety algorithm, protected by four patents, automatically classifies and scrapes information from each phishing email and inputs it into a database. Coticchia and his team analyze this database to find and block the spam emails at their source.

Its early investors are mainly high net-worth individuals, who put in around $5 million over the past year. So far this service has been a lucrative one for Malcovery. After launching in March last year the firm has turned over more than $1 million in revenue.

"We've had a very good year, it's quite exciting. Over the next 18 months we'll continue to expand our product line and provide our content in more formats," said Coticchia.

The cyber security market is worth up to $120 billion, according to Coticchia, and is becoming increasingly fragmented. The vendor takedown business, which detects and reports phishing sites to the authorities, is worth $750 million and is the current space that Malcovery is targeting.

"If you take a look at takedown vendors, we're both competing for the same money but they offer a poor value proposition. We're very focused on email threat and the data we provide is already proving itself; we have zero false positives and its high sigma," said Coticchia.

Geographically, Malcovery is also looking to expand into other large English speaking markets, such as South Africa and India. The technology behind the company is easy to adapt and will become more powerful over time, as more threat information is fed into its databases.

This cumulative network effect could be Malcovery's competitive advantage to help it stay one step ahead of the scammers. If it can adapt its algorithms to tackle other threats, then the company has a chance to rapidly grow its market share. RH

Maxta

www.maxta.com

Yoram Novick

Big Data/Storage

California

Yes

» Yoram Novick is as well-versed as any in storage. Having worked on IBM's storage research and development team for 13 years, he founded and ran Topio, a data replication specialist, until its lucrative acquisition by NetApp in 2006.

Little wonder, therefore, that when Yorick moved to found Maxta in 2009, the industry took plenty of notice. Among the crowd was Intel, with whom Maxta struck up a close working relationship from its Sunnyvale, CA headquarters, nestled right in the heart of Silicon Valley.

In November 2013, Maxta, which promises hyper-convergence with its software-defined storage solutions, secured a Series A funding round of $10 million from Andreessen Horowitz. This May, Intel entered the fray monetarily, leading a second round of funding which brings Maxta's total investment to an impressive $35 million. The company may be young, but the experience behind it is vast - and now there's a bank balance to match.

Maxta's storage solutions offer customers the choice to run on any x86 server with any storage device type, reducing costs and providing "significantly better data services and coverage of use cases," according to Novick, speaking after his firm won its Red Herring Top 100 Award.

Maxta certainly has its finger on the pulse: software-defined storage solutions have become the industry's zeitgeist recently, winning plaudits from all corners. "With SDS, users provision storage services based on policies and service levels, from their choice of application," says NetApp's Anjali Acharya. "And if they choose hybrid cloud, those services can be delivered in the most efficient and flexible way possible, at any given time.

"It's as simple as this," she adds. "If the focus is on the software, it's easier to manage the data, to move it, and even to upgrade the hardware that sits behind it."

For this reason and several others, Maxta has grown far more quickly than Novick anticipated, winning customers in food and retail, for example, which are industries notoriously late to adopt new technology. It's no surprise the Israel-educated entrepreneur is cooing over his company's offering.

"In the past, storage systems were a proprietary hardware and software bundles," he recalls. "Such a bundle was essential to meet the performance and scalability requirements of applications. Over time, more functionality moved to software enabling the creation of a storage systems on top of commodity servers.

"Due to several recent technology trends such as the significant improvements in commodity x86 technology and the wide adoption of server virtualization, it is practical these days to implement storage systems as software running alongside applications on a converged server platform," he adds. "Such a 'software-defined' approach significantly simplifies and reduces the cost of I.T."

Novick estimates Maxta's total addressable market at around $25 billion, rising to $35 billion in 2017. And while he maintains that the company is focusing its 2015 efforts at consolidating relationships with partners "to define reference architectures to provide whole solutions including hardware and software to meet customer demands," he admits that Maxta's selling point really is its software.

That is one reason why next year the company hopes to expand its operations from its base in North America to Europe, the Middle East and Africa, Asia Pacific and Latin America, where Novick hopes to increase awareness of software-defined storage – something Novick sees as the natural progression in an already-esteemed career.

"Personally, when I started my career I participated in the development of proprietary storage systems. Then I started my first company to enable the implementation of some storage capabilities in software. Thus the creation of Maxta whose goal is to implement the entire storage functionality in software is a natural evolution." RH

MicroGreen Polymers

www.microgreeninc.com

Thomas Malon

Clean Tech

Washington

No

» Over20 years ago, researchers at MIT discovered that if plastic is put under pressure and exposed to gas, it will absorb that gas. A professor and his doctoral student at the University of Washington seized on this research, and began expanding plastics without melting them, reducing the density of the plastic in a controllable manner.

Microgreen Polymers' CEO Krishna Nadella was that University of Washington PhD student, and spent the next six years commercializing the academic findings. Nadella discovered that by applying the technology to PET, the most recycled plastic, resulted in improvements in sustainability. From this, the company's main product, InCycle cups, was born.

The company's technology takes used PET, applies pressure and gas, reducing the density of the plastic. This increases the length and width of the plastic by 150% and the thickness by around 200%. The less dense PET is then used to create the insulating, heat resistant InCycle cups. Those cups are then just as recyclable as the initial plastic form the water bottles.

This process reduces the amount of plastic needed to make each cup, and has obvious and significant benefits to the environment.

MicroGreen Polymers, based in Arlington, Washington, raised $17 million in funding in July in order to help the company grow. The financing came from the Sillaguamish Tribe and the Confederated Tribes of the Grand Ronde, both of which were looking for green investments. The other major investor in the company is Waste Management, a trash and recycling firm.

As the world becomes more and more aware of the harm humans are doing to the planet, clean solutions such as this one will become increasingly crucial to the fight against climate change and over pollution. RH

Modernizing Medicine

www.modmed.com

Daniel Cane

Software

Florida

Yes

» Dan Cane doesn't do small successes. Before founding Modernizing Medicine he created Blackboard, an educational software tool, for which he raised $100 million, taking the company public in 2004. Seven years later Blackboard was sold for $1.6 billion by Providence Equity Partners.

You might expect a young entrepreneur to take some time out after a meteoric rise such as Cane's. But the entrepreneur was back in the saddle by 2010, leaving education for healthcare with Modernizing Medicine, a Boca Raton, Florida-headquartered medical software firm that now employs 180 people.

The inspiration for Modernizing Medicine was simple. Having left Blackboard for Florida, Cane visited his local doctor on the orders of his wife, where he met Dr. Michael Sherling, a young dermatologist. "Here was a physician who grew up with technology," says Cane, "but thought the most efficient tool he had was a sheet of paper."

Cane could barely understand why such a complex profession, with such high risks, was still in the dark ages when it came to maintaining effective records. Alongside Sherling, Cane began to work on a solution that would save doctors time, and make the medical profession more efficient.

Soon, the pair had developed the Electronic Medical Assistant (EMA), a smart record-keeper that helps physicians to streamline services and improve treatment and business outcomes. The EMA broke away from its competitors in the field of Electronic Medical Record systems (EMRs) to develop intelligent technology that, according to Cane, "thinks like a physician."

"Health care is in dire need of help," he adds. "Not just here in the States but globally. It's one of the few places where technology hasn't permeated into medicine. Decisions are being made on treatment options without the ability to look at big data. The cloud enables us to aggregate data in an easy and safe way, but it allows us to take info we make and give it back to the provider. We're in a really exciting next stage of computing."

Cane nd Sherling began, understandably, in dermatology.Today Modernizing Medicine also provides specialty-specific offerings for opthalmology, orthopedics, otolaryngology, plastic and cosmetic surgery markets, and to more than 1,300 physician practices in the United States.

And as adoption of the EMA has surged, so have Modernizing Medicine's vital

statistics. In three years the company has generated $17 million in revenue, at a CAGR from 2011 to 2013 of 200%. It recently closed a Series C funding round worth $14 million from Summit Partners, which brings its total investment to $40.2 million across five rounds from three investors: Summit, Sands Capital Ventures and Pentland Group.

Cane himself has been winning entrepreneurial awards locally and nationally, and looks as if he may have founded his second ultra-successful startup. "It's just been growth across the board," he says. And with SelectUSA plotting the American medical device market at $110 billion, it's little wonder Cane is looking to the future with a good degree of optimism - not least because this March Modernizing Medicine was chosen to participate in the IBM Watson Ecosystem.

With so much already achieved, Cane is looking to expand into other markets in the next 12 months - though, as he admits, "the next territory will like be English-speaking because of support issues. We also want to expand into new medical specialties. For us it's about making medicine more efficient and improving the outcome for the patient."

And that's a philosophy that works worldwide. "As a species we all suffer from the same diseases," says Cane. "So you have the same problems whether you're in Bangalore or Boca Raton. The system learns what one doctor will do. If I ask 100 doctors how they treat a patient, I would get 100 different nuanced answers.

"The doctor is making the decision," he adds. "We're just showing them data." RH

myoscience

www.myoscience.com

Rich Ferrari

Medical Devices

California

Yes

» Chronic pain and wrinkles. They don't often have a great deal in common, but California-based myoscience is a company born out of the latter and thriving on the former.

Founded by Lisa Elkins in 2005, with DeNovo and Accuitive Medical Ventures as early investors, the initial focus for treatment using cold on muscles to treat wrinkles didn't provide fantastic results.

The company teetered on the edge of collapse, when those involved discovered "they had stumbled onto something quite remarkable," says Clint Carnell, now former-Executive Chairman and CEO of myoscience. "The real mechanism of action was to create a temporary disruption of nerve signal conduction known as Wallerian Degeneration," he explains.

"It's a numbing of the nerve more than ice and less than permanent damage-mother nature's best way to anesthetize. While we still have applications for treatment of the muscle, the ability to treat 45 miles of peripheral nerves is revolutionary."

Focused Cold Therapy is the patented technology delivered by the iovera system, which is approved in Europe and Canada for temporary wrinkle reduction, temporary pain reduction and treatment of dermatologic conditions. It is indicated in the United States for use in pain management and general surgical use.

The technology works immediately and leaves nothing in the body and "literally, returns people to the daily function of their lives," says Carnell.

The company's tech now helps patients suffering from chronic pain conditions, spasticity, as well as wrinkles. myoscience currently has 53 patents and 55 pending, but operates in what Carnell describes as a hyper competitive market. But due to the revolutionary nature of the technology, the CEO says there is no competition, only peers.

In the pain space there are narcotics like Oxycontin, in aesthetics there is BOTOX, but in general, "our technology should replace current therapies occupied by the drug companies with a simple, safe and efficient medical device," he says.

The next 18 months for the company is very clear, according to Carnell – it's all about execution. "We are conducting two significant clinical trials for OA of the knee and commercializing our aesthetic indications," he says.

It is expensive to get to market, but the rewards are certainly there if you succeed. There has been significant backing, resulting in $88 million to date from DeNovo, Accuitive Medical Ventures, American Equities Overseas, Nexus Medicis and Valiance Asset Management.

The company has a broad investor base of individuals, VC's and private equity, approximately 60% European and 40% U.S.-based.

There are clients who also think the solution is a real game changer. Vinod Dasa, MD, believes the technology "has the potential to change the current paradigm of acute and chronic pain management."

"The patients that I have treated are all grateful to have an option that is very safe and that has allowed them to get back to functionality quickly."

The company is therefore set to enter the billion dollar pain and aesthetic markets with plenty of support, and myoscience expects a 100% growth rate."The main purpose of our early commercial work is to show deep penetration in select markets and key accounts," asserts Carnell. "Pain is a $30 billion market dominated by pharmaceutical companies with effective but harmful products," he continues.

"The Neurotoxin market dominated by Allergan is in excess of $2.5 billion and our ability to work in the surgical field to augment better outcomes of joint replacement is substantial."

The company would benefit from the distribution of a multinational player and/or the ability to raise considerable cash in an IPO.

Currently operating in the E.U. and the U.S., there are plans for expansion into Asia as aesthetics is a global business. RH

NearWoo

www.nearwoo.com

Jason Crilly

Mobile

California

Yes

» Mobile advertising still faces challenges in enticing businesses towards a new platform. "Maybe the very fast growth of the mobile industry is precisely the reason why mobile advertising is still immature," says Madgic CEO Olivier Chouraki. "The rest of the economy couldn't adapt as fast."

However the market is huge, and growing: the total mobile advertising addressable market is estimated at $137.53 billion, with digital spend is up 14.8% on 2013 levels. Almost two in five digital ad dollars are spent in North America, which remains by far the biggest market. Total media spending worldwide, claims eMarketer, will reach $656.3 billion by 2018.

NearWoo, headquartered in Santa Monica, California, is already used by 5,000 firms. It utilizes what it calls advanced mobile audience targeting technology, to enable large brands to launch mobile ad campaigns that target audiences at "the hyperlocal and demographic level."

Partnering with Google's AdX, NearWoo offers clients a fleet of products to optimize their mobile advertising campaigns to their local community. The company has developed a platform which automates targeting and generates banner ads and mobile action-tailored landing pages. "Our patent-pending technology uses contiguous geofences based on population density to power our audience specific and results-driven mobile ad platform," says the company.

The company's chief offering, AdNucleus, can present mobile audience segmentation to the user via an easy-to-use interface. Some of the figures for which NearWoo is proud include 211,267 neighborhoods available for targeting; 65 unique market segments that can be targeted on hundreds of factors including age, activity and so on; and 100,000 location-based impressions available per second. The company points out that research shows a twelvefold increase in the success of social, local mobile campaigns rather than their traditional alternatives.

TruAudience, NearWoo's plug and play mobile demographics API, "exports transparent and granular performance data to produce industry best reports broken down by audience and location." TruAudience's reporting can be tailor-made to suit any client.

"Numerous brands advertise nationally in all media formats, but every single one of them is intensely focused on attracting the highest amount of foot traffic to stores in local markets," writes a company expert. "While they all spend in local media, they may or may not need to flood those sectors with more dollars. But they should get smarter about making sure that spend is positioned for maximum effectiveness and the highest ROI."

There is a raft of facts to show how confident NearWoo, and hundreds of other firms, is about mobile. 90% of teens own smartphones. Growth in mobile ownership among 55-year-olds-or-over was at 75% in 2013. And Mobile business growth year-on-year has reached 80%.

Little wonder NearWoo, which was founded in January 2012, has attracted some impressive seed funding - $1.2 million in total - from the likes of Karlin Ventures and Start Engine. The firm's CEO, Jason Crilly, is an experienced computer science expert with a long startup history that includes stints at Jacked.com and Apocalypse Interactive. It appears that the future is as bright - if not more so – than NearWoo's own piebald website.

"All national advertisers should have a local branding initiative," adds the firm. "It's economically irresponsible on behalf of the advertiser, especially when it's all at your fingertips." RH

Nomis Solutions

www.nomissolutions.com

Frank Rohde

Software

California

Yes

» Nomis Solutions is attempting to bring retail banking more fully into the 21st century by changing the way banks price their products. Nomis' proprietary platform is designed to help large and mid-sized banks more optimally price interest rates and fees on their products by making the process more scientifically rigorous.

"Our mission in life is to provide pricing excellence to retail banks. Pricing is a very dynamic process in which banks to have to respond to the changing environment around them. Finding the interest rate and fee is a complex mathematical problem," Frank Rohde, President and CEO of Nomis Solutions, says. "Nomis provides scaleable, repeatable processes using Big Data analytics, data management and a closed loop pricing process to find effective pricing strategies. Think of it as cloud based Big Data analytics focussed specifically on banking and the pricing lever. Our core proposition is Big Data analytics."

Price Optimization is a dance requiring two partners - science and data. The science — the optimizing algorithms and the mathematical pricing models —is crucial but, by itself, lifeless. The critical component is data, and the more data, the better. Banks by nature, practice and requirement are conscientious record keepers; especially of their customers. What would a Big Data approach be to exploiting all this customer information across demographics, time and product categories? Nomis' approach is to exploit this to model and predict customer behavior from the macro to the granular. So for instance, knowing customer preference across verticals, demographics and micro-segments allows banks to find new demand curves and tailor products accordingly.

Knowing how sensitive an existing customer is to price, allows the bank to target him or her more effectively. This data analysis of a bank's existing customer base is combined with an analysis of third party data that informs the economic and competitive landscape in which the bank is operating, to yield pricing solutions that maximize profit for the bank. Nomis currently provides specific price optimization solutions for auto finance, lending, mortgage and deposits; yielding, according to the company, improvement in profits in the range of 10% - 25%.

Nomis Solutions was founded by Dr. Robert L. Phillips and Simon Caufield. A Price Optimization veteran and an author of a well-known book on the subject, Phillips by 2002 had already built a price optimizer and seen to its adoption, in the airline, hotel, manufacturing and retail space. He realized that the same kind of technological intervention for Price Optimization was needed in banking and so in 2002 partnered with Simon Caulfield, an expert in financial services and then a consultant with Mercer, to co-found Nomis Solutions.

"Historically and until five years ago, banks haven't been able to analyze data on this kind of scale. Between big data technology and cloud services, this problem can be solved. It's a global market and what we are solving is a global problem," Rohde says.

Nomis works on a Software-as-a-Service (SaaS) model. The total addressable market in retail banking in SaaS revenue in over 1000 banks globally, is over $1.1 billion according to the company.

An opportunity that Nomis seems well positioned to exploit given its first mover advantage in a technically dense area of expertise. Its primary competition in this space are currently consulting firms and in-house teams that lack the kind of repeatable model and industrial process that Nomis is offering. Also working in favor of Nomis is the fact that bank margins are compressed and bank executives are looking for solutions to grow revenues and profits. However the company has still to contend with the inertia of tradition.

"Our biggest challenge really is to change the traditional approach taken by banks to pricing, which is weekly committee meetings over spreadsheets, based on anecdotes rather than data driven empirical analysis. Basically a bunch of guys sitting around a table. This is bad methodology," Rohde says.

But it hasn't stopped the company from growing. Nomis turned cash flow neutral in 2009. Since 2011 annual bookings have grown at 75% CAGR and a 100% subscription renewal rate has led to 40% CAGR increase in billings. "We have a good track record of increasing our footprint once we enter a bank," says Rohde.

Tom Schwartz, Vice President of Profitability Analytics at AmeriCredit Corp

says, "By using the Nomis Price Optimizer, we are armed with a solution that enables us to better and more proactively manage the dynamic and volatile lending environment with interest rate changes, competitor moves and changing internal goals. We have also improved our ability to execute on our pricing strategies across product lines and channels, which empowers us to better meet our customers' and dealers' needs and to increase shareholder value."

Nomis has so far raised a total of $31 billion in three rounds of funding. Among its investors are August Capital, Red Rock and Bain Capital. "We are potentially open to investors," says Rohde.

Given that a bank with 100 million in assets has anywhere between 200,000 - 500,000 price points in the market at any given point and that each of those price points is a part of a complex matrix of cause and effect that is constantly changing, price optimization in banks is a Big Data problem that is crying out for attention. It is difficult to see how Big Data analytics can possibly be kept out of pricing efficiency in banks. This, along with Nomis' first mover advantage in a highly technical, high entry barrier space, makes the company's future quite compelling. RH

Norse

WWW. www.norse-corp.com

CEO Sam Glines

Security

California

Yes

» This year has seen a number of high profile cyber attacks in almost every sector. The frequency and sophistication of attacks is increasing all the time, forcing businesses to reevaluate how to secure their data. The best way to fend off most of these unwanted intrusions is through thorough preparedness and constant vigilance.

Norse is one of the internet security companies that provides both of these to its clients. But the company has a slightly different way of ensuring it is constantly ahead of the attackers. Norse has over 5 million sensors deployed around the Internet, which appear to be viable targets for cyber attacks. These sensors act as an early warning system for potential threats, increasing the chances that companies will be able to deal with them when they strike. "Our goal at Norse is to be very early and take the first hit on behalf of our customers so they are not compromised," explains Norse CEO and Co-Founder Sam Glines.

The company's newest product, called DarkWatch goes even further. The system sifts through the dark web, where most viruses and created, and monitors threats even before they are put together. "When adversaries are creating that malware, we are testing that malware and watching its evolution, we are watching this before it goes and drops on a URL and when an employee or customer clicks on a phishing email, it's already on our database as malware and it comes back blocked," says Glines.

The dark web is an incredibly large and complex part of the Internet to monitor, and Norse's ability to automate tracking of it is certainly a major differentiator.

Norse has raised $30 million since its inception - $12 million in Angel funding and $18 million in Series A funding from two investment partners in November last year. Glines reveals that there has been strong demand for involvement in the company, and Norse is currently looking at options to help expand globally.

"Norse's experienced leadership team, vision for the future and advanced technology are well-positioned to meet growing demand to protect companies and governments from cyber threats," said Bandel Carano, managing partner at Oak Investment Partners, one of the investors in the company at the time the Series A was announced. "We look forward to partnering with the management team to help"

Norse's approach has led to it acquiring major customers across multiple sectors. "We service Fortune 50 financial services, government. It's no surprise financial services is the primary market. We're providing services across industries as we see this becomes a problem not just in banking," says Glines. One of the major growth sectors is healthcare, which Glines describes as "woefully unprepared" for today's types of attacks.

One of the major challenges Norse has faced recently is recruitment of the best talent. "In the Valley it's a war for talent. In security and engineering there is a premium. 6-8 months ago it was very difficult to get top engineers in the door. But we broke through that barrier and were able to recruit some powerful engineers from major Fortune 50 companies that are innovators in their field. That has opened the door to people that want to work for a powerful company that has a bright future. It's still a challenge because we're competing with Facebook and Google and others when we're recruiting," Glines says.

The Norse method of preventing attacks is certainly one of the most proactive in the industry, and that level of preparedness gives a lot of comfort to clients worried about breaches. Cyber security is a growth sector, and Norse's level of innovation and strong management means it boasts a very secure, and prosperous, future.

OxiCool

www.oxicool.com

Ravikant Barot

Clean Tech

Pennsylvania

No

» Air conditioning is a staple in so many destinations and provides relief from the heat in numerous situations.

The problem has always been that air conditioning relies on some fairly potent chemicals to work effectively. In a world where environmental concerns are a mainstream news topic, the ability to be more 'green' is always lauded.

That is why Ravikant Barot, Founder and Chief Executive Officer of Oxicool, founded the company, which was incorporated in 2007.

Based in Frederick, Maryland, Oxicool says it is behind the development of the world's only truly green air conditioner. The company's air conditioning technologies can be utilized in multiple applications in both the commercial and military spaces.

Furthermore, the tech lowers operating and maintenance costs. Invented and patented in conjunction with the U.S. Navy, the result was the first full sized molecular sieve and water-based air conditioner.

Not only does it run on clean, efficient heat energy, it produces no harmful greenhouse gases, there is no need for maintenance on cells and there is the ability to store energy for later use without loss.

This can be applied to water cooling, trucking, small buildings and homes, military vehicles and shelters. Key personnel include Dave Martin, VP engineering who joined the company after 25 years of climate control and mobile air conditioning product engineering experience. Most recently, he was the chief architecture strategist at General Motors.

In 2013, General James L. Jones joined OxiCool's advisory board. He is the former National Security Advisor to the President of the United States, the former Supreme Allied Commander Europe and Combatant Commander USEUCOM, and the 32nd Commandant of the Marines.

The company said it was looking forward to the partnership as it entered commercial markets and engages with the military.

Packsize

www.packsize.com

Hanko Kiessner

Clean Tech

Utah

No

» Packaging waste is big waste: it contributes 29 million tons of non-biodegradable waste to landfills each year. But it's even bigger business. According to a report from NonMarkets LC, the global smart packaging market will grow from $4.8 billion in 2011 and was forecasted to reach $14.1 billion in 2013.

China, too, is barreling up on the market. "The value of China's packaging industry output reached over $50 billion last year, up 22.4% year on year, according to Shi Wanpeng, President of the China Packaging Federation," writes Guy Robinson, editor of Waste Management World magazine. "And the waste management industry is growing in parallel, having to move quickly to offer sustainable solutions and much-needed processing capacity."

With firms such as Amazon and Staples now pushing ahead with more and more deliveries, the amount of packaging looks set to increase. Currently around 40% of every delivery consists of air. To combat increasing waste FedEx has announced that it will price packages according to weight, not size. The race is on to provide firms with smart packaging services that won't bust the planet - or the bank.

Packsize, a company founded in Salt Lake City, Utah in 2002, is poised to capitalize on that market. Operating out of 25 countries the firm is experiencing 50% year-on-year growth thanks to innovative technology that drastic reduces packaging waste. In fact, Packsize claims to cause a 26% efficiency gain in material, meaning that 66% more boxes could fit on a delivery. Its machines can deal with packages from all sorts of industries, including windows and doors; printing and marketing; manufacturing; furniture and cabinetry and e-commerce.

CEO Hanko Kiessner, a German national, has packaging roots that run deep. Corrugated material was first introduced in Europe by Kiessner's father in 1969 as part of a family business that was founded in 1872. Prior to finding success in the U.S., in Germany, Kiessner returned a small printing business to profitability and was an executive with Skanwell, a leading supplier of corrugated board. Hoping to expand the marketing opportunities for corrugated material, Kiessner started to experiment with newly patented corrugated converting machines.

Packsize's z-Fold technology is the result. Its machines cut, fold, score and crease corrugated card to the exact dimensions required for a delivery. This saves on

box inventory and warehouse space for enterprise clients - but it also empowers brand loyalty on the customer side, as consumers feel more satisfied with a package they feel has been tailor-made.

The company's repertoire also includes an auto-gluer and cassette changer. Its IQ Fusion 2 has allowed for smaller-sized packages to be streamlined too. "Packsize recognizes its role and responsibility in protecting and improving the state of the environment for future generations," says Kiessner. "As a company with worldwide operations involving lean packaging systems, Packsize understands the long-term well-being of society, the strength of the global economy, the welfare of its employees, and that the continuing success of its business depends on its dedication to a sustainable environment.

"By focusing on the use of resources through minimization, reuse, and renewal, Packsize helps build a regenerative community that increases resource productivity and improves product design, while earning the reciprocal benefit of greater customer satisfaction," he adds.

"In essence, what's good for the planet is also good for the company."

Understandably, Packsize has won plenty of funding and plaudits. In 2007 Peterson Partners injected $4.6 million investment into the firm. Hanko Kiessner won the 2008 Ernst & Young Entrepreneur of the Year Award. The CEO claims that revenues will be generated by predictive analytics in the future, and by the addition of more diverse products. "There remains a lot of runway to improve our existing solutions and to explore further applications within the field of on demand packaging," says Kiessner. "In my view, the opportunity for on demand packaging is somewhat analogous to the origination of dot matrix printing in the '70s."

Tooled with that approach, and generations of technological know-how, Packsize looks set to continue growing into next year, and far beyond. And with more logistics firms waking up to waste, Kiessner feels that his company has hit form at exactly the right time. "The fulfillment industry is a rapidly growing market segment for on demand packaging. A good portion of our growth in the near-term will continue to originate from this sector, especially in light of the freight rate increases for unnecessary packaging volume announced by FedEx and UPS that take affect January 1, 2015." RH

Panaya

www.panaya.com

Doron Gertsel

Cloud Computing

New Jersey

Yes

» Doron Gerstel is sitting on a goldmine. His company, Panaya, has aggregated 7.5 billion lines of code, five billion transactions, 25,000 customer systems and thousands of projects since its 2006 inception. That big data, it believes, is worth a fortune. Looking at the company's numbers, it's difficult to disagree.

Panaya, headquartered in California's Menlo Park, has amassed $39 million of investment across five funding rounds in its six-year lifespan. Customer growth has risen by over 25% year on year, and the company now serves customers in 62 countries. Some of its high-level clients include Kraft, Siemens, Coca-Cola and Sony. It currently has 4,000 projects in action, and over a million processes. Over a third of the Fortune 500 uses CloudQuality.

Panaya is backed by a series of reputable investors, including Benchmark Capital, Battery Ventures and Hasso Platner Ventures, which agree that its approach to enterprise resource planning (ERP) is perfectly poised to help firms cut the time and costs of business change. 70% of software investments are dedicated to maintaining the engine, according to a recent Gartner report. Panaya is partnered with IBM and Oracle.

Gerstel sees a marketplace in which players all have differing approaches to ERP. But none is streamlining to a good extent. "Different companies have different thresholds for their ERP Application quality," he says. Larger organizations have to follow strict guidelines when it comes to their quality management practices, e.g. companies that have to comply with SOX regulation.

"But at the end of the day, the ERP system is the core of most organizations, and significant time and resources are spent to ensure that things don't break," he adds. "Furthermore, industry analysts estimate that on average, about 40% of TCO of ERP systems is spent on validating changes. Unfortunately, most testing is done manually and therefore inefficiently."

Key to Panaya's strategy is its ability to handle complex changeovers in a short space of time. Panaya can deal with 160,000 application screens, 400 million lines of standard code, with an average of three million customization code lines per customer.

"Panaya's founder (Yossi Cohen, who has considerable experience in database migration technology), who was very experienced with code analysis, realized that ERP customers were in big pain when it came to rolling out changes to their systems due to the millions of lines of custom code they had – meaning the slightest change could have massive consequences," says Gerstel. "He wanted to offer a painless impact analysis method that would start out with analytical approaches and by collecting the customer big data over time in the cloud turn to leveraging the collective experience of ERP customers to their benefit."

Panaya's solution, CloudQuality, available for SAP or Oracle, allows for a 30-50% faster time to market, and a cost saving of between 40 and 50%. It believes that its total addressable market is worth $5 billion, in a world where application change is difficult and unpredictable. CloudQuality offers a wide range of functions, including test execution, code cleansing, code remediation and test management.

This October the firm launched a new Oracle EBS test management solution. Much growth is staying within the Americas, but Panaya has also been successful rolling out in Europe and the Middle East and, to a lesser extent, APAC. "The idea behind this major change is to give every Panaya customer access to our entire suite of products, throughout the lifecycle of most of their projects," says Gerstel.

And Panaya's future lies in its commitment to 'cloud wisdom', which Gerstel says is standing the firm in very good stead to make the most from its big data. "Whereas crowd wisdom is the collective opinion of a group of individuals, cloud wisdom is the collective facts from a group of people or events," he says.

"The past offers a rich treasure chest of past activities. The key is turning it onto best practices and detailed advice for practical use."

"Since 2009, we have compiled a data library comprised of literally billions of ERP change actions – everything that goes on within the ERP ecosystem," adds Gerstel. "With a critical mass of data, we can help customers turn these common practices into best practices, hence Crowd Wisdom. We know what works, what doesn't work when you make a change, what tests are critical and what you can skip. This is the gift that we pass onto Panaya's customers."

Paxata

www.paxata.com

Prakash Nanduri

Other

California

Yes

» "For the last thirty years, the technology industry has promised that business intelligence would change the way companies make decisions," says Prakash Nanduri. "But with the exception of a small set of examples, the promise has not been met." Paxata, the company Nanduri co-founded and runs as CEO, is committed to bridging the divide between this vision and the technological reality, by providing the first Adaptive Data Preparation platform of its kind.

The Paxata platform has been engineered to transform massive amounts of raw data into a format that is more digestible to business analysts, through an architecture that promotes automated data integration, data quality, data sharing, semantic enrichment, and governance.

Among the service's most compelling features is a Metaphone algorithm that, alongside three other matching algorithms, detects like-minded clusters of data in ways that less sophisticated data platforms cannot. It was this Cluster and Edit capability that most impressed Box, Inc. and Paxata customer CIO Ben Haines. "What intrigued me about Paxata was bringing in these different data sources, with no traditional file set-up or any inclination to how the data matched each, and we could find how the data matched," he said.

Perhaps the best way of thinking of Paxata is as a bridge between I.T.-owned data tools and systems offered by companies like Oracle, IBM, and Informatica and the wide range of business user analytics. That could be Operational Analytics (think Microsoft Excel, SAP BusinessObjects), Discovery and Visualization (Qlik, Tableau, Spotfire), Packaged Applications (Anaplan), or Predictive Models (SAS, Revolution Analytics).

According to Nanduri, in almost every highly analytical exercise today, 80% of the effort is spent preparing the data to be analyzed, leaving 20% for the analysis. "We want to flip that," he says.

Paxata was officially launched last October at New York's O'Reilly Strata + Hadoop World conference. In its first year of commercial availability, the platform has seen strong adoption that has helped the company surpass its sales targets. Paxata now has double-digit paying enterprise customers, and partnerships with the data visualization company Tableau, the automated workforce management company Click, and the leading Apache-Hadoop based software provider Cloudera.

The team, which works out of an office in downtown Redwood City, Calif., has grown to 33, but continues to ascribe to three standards: quantitative results, brutal honesty, and a combination of humility and confidence.

In addition to its nomination as a Red Herring Top 100 finalist, Paxata has also received Gartner's 2014 Cool Vendor award, GigaOm's 2014 Best Structure Data for Business Analytics, and recognition from the San Francisco Business Journal as one of 2014's Best Places to Work. Investors Accel Partners and In-Q-Tel, the strategic investment arm of the U.S. Intelligence Community, who together put up $8 million last October, share in Nanduri's enthusiasm that Paxata will be a "core strategic piece of the next generation analytics stack." If so, the Business Intelligence community will be a step closer to delivering on its yet unfulfilled promise.

Perfecto Mobile

www.perfectomobile.com

Eran Yaniv

Mobile

Massachussets

Yes

» The fragmented technological landscape across which an app has to deliver makes ensuring the quality of a mobile app a challenge. A successful app has to work across varied mobile devices, with different form factors running on diverse operating systems, on differently abled networks and in a dynamic environment where each of these factors are constantly changing.

For apps to be drivers of, rather than hindrances, to business it is important for app developers to have quick turnaround times in reacting to new developments - like the announcement of a new iPhone. And often the difference between a quick and a slow turnaround time depends on the testing stage of an app. For large organizations with app developers distributed across the globe, time and effort could be saved if all the developers had instant simultaneous access to the software environment of a new iPhone to test their apps on.

Perfecto makes the quality assurance of apps easier. The company has developed a cloud-based software platform for developers. What the platform does, along with its quality management suite, is to give globally distributed teams instant access to thousands of mobile devices, in effect enabling them to collaborate in real-time to continuously develop, test and monitor user experience in real life market conditions. Developers can test an app before release and monitor it after through Perfecto Mobile's mobile cloud platform.

"The mobile cloud platform has two main features. Remote access - provides a consolidated resource to developers inside an organization, no matter how distributed. No matter where the developers are located physically. And automated scripts which developers can use to test their apps in various real world situations," Eran Yaniv, Co-Founder and CEO, Perfecto Mobile, says.

These twin aspects of Perfecto Mobile's platform came out of observations made by its two founders Yaniv and Yoram Mizrachi.

"Yoran was working as a consultant and on one of his projects and he noticed dozens of people testing devices manually. Being a software guy, he thought this work could be easily automated through software. Meanwhile, I had worked on an instant messaging app for AT&T in Israel. When we tried to implement it in the U.S., we found that the U.S. had a completely different technological environment. We could have saved a lot of time had we known this earlier. So we founded Perfecto Mobile in December 2006," says Yaniv.

Yaniv sees a sizeable opportunity for Perfecto Mobile as the funds currently going into manual testing will get redirected towards a platform based, automated system. He puts the market opportunity in testing of apps alone at $1.5 billion. "The monitoring front is typically slated at three times the size of the testing market. This will only increase given that everything is going to go mobile anyway. Wearable tech, like smart watches for instance, will further increase the size of the market for us," he says.

For Perfecto Mobile, the focus has been mainly on North America for now, particularly in sectors such as retail, travel, banking, media and entertainment, and financial services.

"Our strategy has been to penetrate with a scaled down solution and then show the company what is possible. Assess where on the maturity scale the company is and propose a solution accordingly. We tell them, this is where you should start - and this is where you should go," says Yaniv.

In terms of competition Yaniv cites two kinds. "There are groups of providers, like TestPlant, who provide point solutions. They can't do it for hundreds of devices like we can. And the second are those who try to mimic what we do." Currently, Perfecto Mobile has only one competitor in the latter category which takes a platform-based approach to testing and that is Keynote.

Yaniv says there are two major barriers to entry in the sector. "There is firstly the knowhow of devices which is our core strength. This is what enables you to ramp for new devices in a matter of hours and minutes. And second, is the difficulty in maintaining an enterprise grade service. That takes time to learn." The company holds a patent on the device agnostic automated scripts it uses for testing.

Perfecto Mobile is VC funded. In April this year, the company raised $20 million to inject into its growth fund. Perfecto Mobile follows an annual subscription model. So far the company has had a close to 100% renewal rate. The company's revenue in 2013 was $17 million and in 2014 it expects to reach $29 million. "We are marching towards an IPO," says Yaniv. The company's present challenge is scaling up.

Liron Gitig, FTV Capital partner, says, "Perfecto Mobile is setting the pace in the $9 billion mobile app quality market with its strong leadership, proven technology and a reputation for enabling enterprises to create high-quality apps. An enviable roster of brands depends on Perfecto Mobile's solutions, as confirmed by the financial services institutions in our Global Partner Network, to ensure that their mobile apps deliver on their promises. We're excited to partner with such an established leader to help drive their next successful phase of development and growth."

Apps are the gateway to any service on a mobile device. This is already showing in the way apps are driving business for major brands. If everything is going mobile, then the quality assurance of apps becomes even more critical going forward. Perfecto is in the right space at the right time. RH

Perseus Telecom

www.perseustelecom.com

Jock Percy

Telecommunications

New York

No

» Latency has become the buzzword in online trading today. In a world where financial transactions are made, daily, in their millions, a drop of milliseconds in latency - the time taken for a host server to receive and process a request for a page object – can have a huge impact.

150 years ago this process was operated by carrier pigeon. Paul Julius Reuter, founder of Reuters, used his feathery friends to carry news and stock information more quickly than anyone else in London. As any cockney will testify, there are still plenty of pigeons in the British capital. But their use as high-speed data nodes has been surpassed by fiber-optic cables and ultra-high-speed web transfers.

Speed is still, however, the name of the game. Today's Wall Street traders are just as reliant on the pace of transactions - or latency - to make millions. And in a world where almost every major city can be a financial market, those digital birds have to fly thousands of miles, in any direction, in moments.

Perseus Telecom was founded just four years ago. But already it has become one of the world's leading global high-precision network providers. It has offices across the globe thanks to a rapid and aggressive expansion plan, hiring or acquiring local contractors, so that, in the words of CEO Jock Percy, Perseus can "provide a local footprint in the global marketplace."

Percy is a highly-experienced and well-travelled business leader, having spent years at British Telecom, Sharp, Double Helix and Ace Comm. Because of Perseus' worldwide nature, he spends the majority of his day speaking to the company's executive team, which spans thousands of miles. The company has major offices in London, Frankfurt, New York, Hong Kong and many other locations, with affiliate centers in other global cities such as Yangon, Seoul, Madrid and Moscow.

It's about "getting to market fast, that you can trade on an idea or strategy too," says Percy. "It's not just latency. We've productized that as a solution to the problem of 'how do I get in and out of a market.'"

Perseus offers three major solutions to this end. World Map offers latency information for gateways across the globe, while LiquidPath is a fully-managed service which offers trading infrastructure, connectivity hardware equipment and local consultancy. Its third offering, QuanTa, is a special transatlantic, ultra-low latency route between London and New York, at 10Gb per second.

"Latency protects against risk," says Percy. "Being the fastest is not always required. But being slow is bad. It's like a highway. Everybody needs to be at least as fast as the cars around them." Perseus' major markets include finance, e-commerce, i-gaming and multimedia.

With such a frantic pace of expansion, it's no small wonder that Perseus Telecom has attracted the plaudits of several respected media outlets and business groups - Red Herring included. But Percy is not one to rest on his laurels.

"The reaction has just been phenomenal," he says. "They came to us and said, 'can you do this everywhere?' We'd rolled it out in Sao Paulo and Mexico City, and we said, 'yeah, we can do that everywhere in the world.'"

And 2015? Yes, more growth. Perseus is all about being there the moment anything happens. That means further expansion, and fast. "We're already in these markets, but it's about having that full support structure there - it's having team members there with full sales/marketing/engineering offices," says Percy.

"The last two locations for that are northern hemisphere Asia and southern hemisphere Asia," he adds. "I'd add one more to that which is Mumbai. It's such a large market with such potential we need something there. That's phase two, if you like. We really need to get that done quickly."

Perseus has cornered a market with many corners. It is proving that age is of little matter, but latency - be it in a trading or business growth sense - is key. RH

Phunware

www.phunware.com

Alan Knitowski

Mobile

Texas

Yes

» Phunware is the pioneer of Multiscreen as a Service (MaaS). MaaS is a fully integrated, cloud-based, mobile services platform that has all the tools necessary to roll out a mobile application.

For a brand looking to design a mobile application that will work across different operating systems, across different devices on different networks, it can either go to fifteen different point providers to get separate solutions it needs, or, it can use a single platform that provides off-the-shelf, pre-configured integrated solutions to help the brand build, manage and monetize its mobile applications.

"Big companies don't want to do a herculean task of integrating across 10 different point products like SDKs and APIs. They are not equipped to handle that kind of fragmentation. We decided early on to not take a point product approach. We decided we are going to do it all," Alan S. Knitowski, Co-Founder, Chairman and CEO, Phunware says.

Which is precisely what Phunware has achieved - the world's only fully integrated platform to build, manage and monetize mobile applications. MaaS is bridging the gap between brands wanting to engage consumers at one end and the anytime, anywhere mobile users wanting engaging personalized content, at the other. And its value proposition is the one stop solution it provides in a highly fractured mobile technology landscape.

Together, the niche and value proposition has found traction. The company has so far enabled over 1 trillion transactions per year, over 200 billion advertising transactions per year and tens of millions application downloads for hundreds of top brands, across nearly 190 countries and 10 languages.

"The idea was to dive in and build for smartphones. More than half the internet is mobile, 90% of that is on applications. All of these point products folks hadn't built applications, and so we decided to take a different route. Today we are without competition," Knitowski says.

Knitowski is a successful serial entrepreneur with multiple exits over a 15 year period. This is his fifth start up. He co-founded Phunware in early 2009 along with Luan Dang, the company's present CTO.

Phunware has raised a total of $38.4 million in its last two, of five, rounds of funding. It counts among its investors Cisco, WWE, Samsung Ventures and Fraser McCombs Capital. The company owns 10 patents with seven more pending. Its GAAP revenue has grown from $4.5 million in 2011 to $22.1 million in 2013. In 2015 the company expects revenue to touch $103 million. 72% of its 2013 revenue has come from its MaaS platform in the form of subscriptions, transactions and set up fees. By 2015, the portion of its revenue from its MaaS platform is expected to touch 86%.

"We are focussed on the fortune 5000 companies. We'd rather not have 90% of the market. We've reached a hyper growth mode and our principle challenge now is how fast we can scale up our business. We want to buy companies in Europe and Asia with people on the ground. It's the more efficient route for us to enter those markets. Our goal is to be publicly traded by the end of this year," Knitowski says.

Joe Lalley, Vice President of Digital Product Strategy & Operations of WWE, says, "We wanted to provide our fans at WrestleMania 30 and WrestleMania Axxess with the best possible experience, and the availability of iBeacon technology, GPS and Phunware's location-based tools helped us meet their needs through hyper-targeted, relevant information. We look forward to leveraging this technology more in the future for the continued benefit of our fans."

Michael Pachos, Principal of Samsung Venture Investment Corporation, was equally impressed by the company. "Our investment in Phunware is consistent with our strategy to work closely with established market leaders. Phunware is a technology leader and has built a significant business in the Multiscreen-as-a-Service space. The company has demonstrated both a technical and business vision in the industry and we look forward to contributing to the progress their operations."

Pluribus Networks

www.pluribusnetworks.com

Kumar Srikantan

Virtualization

California

Yes

» Times are a changing in the $23 billion networking equipment market. The industry is being disrupted by a new paradigm called 'software defined networking' or SDN. In a traditional network environment, all data traffic is treated equally, as if the same.

If you want more intelligent control of your traffic flow, then you need to spend money on high end networking gear. In traditional networking, intelligent control has been wedded to hardware. SDN promises to change that once and for all. The promise of SDN is in decoupling hardware from the intelligent handling of data flow across a network, so that the fancy features are moved to software so that the underlying hardware can remain dumb, and hence cheap.

With SDN, organizations need to buy less networking equipment of less expensive varieties while at the same time having a fancier network more suited for cloud computing data centers that is easier and quicker to change and manage, without touching the underlying physical infrastructure. According to The Rayno Report, SDN represents the biggest shift in networking in 20 years and has the opportunity to create more than $50 billion

in value. In short, its the virtualization of a network and its potential is that of a game changer.

One of the companies taking the lead in SDN is Pluribus Networks.

Pluribus Networks is the maker of Netvisor — a network operating system that enables the management of an entire network as if it is a single device. The result is significant enhancements in scale and performance and greater visibility of the entire system for a network administrator. What this is essentially is a virtualization architecture, an approach to bringing virtualization to a network that efficiently delivers the advantages of SDN by leveraging its strengths. It has enabled Pluribus Networks to become a leader in performance-oriented network virtualization for private and public cloud data centers.

The company was founded by Sunay Tripathi, Robert Drost, and C.K. Ken Yang in April 2010, the founders between them bringing over 50 years of experience and more than 200 patents collectively.

Pluribus has so far received over $42 million in three rounds of funding, the last of which was a Series C round in April 2013 that raised $2 million. The company has been backed by Data Collective, Menlo Ventures, New Enterprise Associates and Mohr Davidow Ventures, among others. RH

PowerPlan

www.powerplan.com

John Andrus

Software

Georgia

Yes

» Tax is such an incredibly complicated minefield even for the sole operator, let alone a large utility company. And with ever changing regulations, the costs of getting s return wrong can be catastrophic and all it takes is a mistake at the data entry level.

It is the reason a lot of CFOs rarely get a good night's sleep and why companies are buying the PowerPlan solution, according to CEO John Andrus.

"CFOs have multiple stake holders to keep happy, not least of which public markets and shareholders," he asserts. "They have to worry about risk mitigation, compliance and efficiency, and all of that is tough to balance if you are not running on one cohesive piece of architecture. So we allow them to have a more efficient way of doing business."

PowerPlan, founded in 1994, provides a fully integrated suite of asset-centric accounting, tax, budgeting and analytics software solutions purpose-built to enable regulated and non-regulated utilities of all sizes.

The world's most demanding energy companies, including Duke Energy, CSX, EQT, Chevron and TransCanada, trust tPowerPlan's solutions, which can be purchased as a suite or as standalone, to manage more than $2.3 trillion in assets.

Jennifer Koehler, Partner, PwC U.S. Power and Utilities practice says PwC has been using the PowerPlan application with both its audit and non-audit clients. "Developing a technical acumen in the PowerPlan space is part of our client service strategy at PwC," she says. "We have developed a "PowerPlan Center of Excellence," where we incubate professionals with working knowledge of the product."

According to Koehler, the needs of capital asset intensive companies are unique.

"Whether it's in nuanced capital accounting rules, complexities associated with different basis between book and tax assets, special regulatory trackers for capital projects and other regulatory requirements or plainly the impact of the ever-changing tax rules in the United States, there is a need for a product like PowerPlan in the market."

And because of the way the PowerPlan system is architected, the company is able to adapt to new regulation quickly.

"Tax repairs is an example of where we were ahead of the regulations coming out," Andrus says. "The reason for that was a combination of our relationships and the utility bodies we take part in, but also the knowledge of our people themselves and studying the regulations and what were pending. We were able to get it in the software and literally the day they that those regulations came up we had the software ready."

Another issue these enterprises have is that about 50% of their workforce is going to be retiring in the next few years. That creates a need for technology that supports high turnover and, as Andrus states, "maybe lower skilled workers".

"So we all think about making software more intuitive, easier to use, more graphical and that's something that's the customer wants," he explains.

Andrus asserts that the most unique aspect for PowerPlan is that from the day of its inception, "we went to market solving these set of problems" as opposed to "building some neat technology and then looking for a problem to solve".

"We have kept every one of our customers save one or two. It's with that knowledge that we have to continually jump over a higher bar and we are able to do, so that makes us proud."

One happy client is Tampa Electric controller Jeff Chronister, who says PowerPlan "understands the specific needs of companies in the utility industry"."They are proactive in continuing to know the changing landscape that utilities deal," he continues. But they don't rest on that reputation, they build on it by staying ahead". He adds that PowerPlan's ability to effectively deal with the overall position is "really incredible".

Chronister confirms that the tax repair technology has allowed the company to save millions and go far deeper into its tax history than would have been possible.

"That's the thing, you usually have a software company more orientated towards the actual tech itself, and honestly the number one strength for PowerPlan is their knowledge and the fact they can turn that knowledge into a tech solution."

In terms of expansion, Andrus jokes that the company is already international as it operates in Canada, but the technology itself would not have to be rewritten to explore new territories.

"It would be in utilities, it would be Western Europe and probably after that Australia, New Zealand, Singapore, to make sure you don't have any of the language difficulties upfront," he says.

Investigations into the U.K. and Western Europe have begun, because as Andrus confirms, the U.K. regulatory environment is coming to bare – "a perfect storm for us".

"They want all the generators and utilities to lower prices for consumers, putting more regulatory control of assets and investments and we are perfectly positioned to get in there and work with a few and get it right and grow from there," he adds. RH

Quanterix

www.quanterix.com

Kevin Hrusovsky

Life Sciences/Biotech

Massachussets

Yes

» Biomarkers in diagnostics are the basis of health analysis in the medical world. The challenge has been the level of sensitivity being provided by immunoassays - a biochemical test that measures the presence or concentration of a macromolecule in a solution - which typically only registers changes in diagnostics post traumatic event.

Quanterix has developed an ultra-sensitive diagnostic platform capable of measuring individual proteins at concentrations 1,000 times lower than the best technology that is being used today.

The company, founded in 2007, and with a growing number of fans in the world of diagnostics, believes its Single Molecule Array (Simoa) technology, is a game changer. Simoa enables the detection and quantification of biomarkers that were previously difficult or impossible to measure. This has in turn opened up new applications and the possibilities are still now only just being explored.

Kevin Hrusovsky (formerly President of PerkinElmer Life Sciences & Technology and CEO of Caliper Life Sciences), who was brought into the Quanterix fold as Executive Chairman in June this year, says he spent about three months conducting his own due diligence on the company before "really diving in."

"The founder, who really is an incredible guy, looked at the science out there and the initial thinking was you could use creative innovative tricks using beads inside chips to get a digital way to look at proteins and that can change the game for sensitivity," he explains.

Once Quanterix had that foundational platform opportunity the team started looking further into the market and asked what else is important to end users. A few things came out. "Number one was cost and number two was ease of use," says Hrusovsky.

A lot of companies had the tech to do the sample, but would then have to take it to a separate machine to do the analysis. "Quanterix put it all in one box, the detection and sample prep, that combination is very complex to pull off and is more of an engineering feat."

This "hit critical areas", Hrusovsky asserts.

It was therefore a disruptive decision, and the Executive Chairman likens the move to the creation of the cell phone, where there was suddenly a new market.

The automation of the whole process has also bought the company time when considering competitors. There are those going down the ultra-sensitivity route, but Hrusovsky estimates they are five to seven years behind in terms of the automation of the whole process.

Matthew Albert, MD, PhD, Directeur, Departement d' Immunologie, Institut Pasteur, Paris, France, says his lab has been searching for a protein quantification platform "with this level of sensitivity for nearly five years".

"The Simoa technology is a true revolution from a technical perspective, but now comes the careful clinical trials that will determine the potential applications for the various biomarker assays being developed," he adds.

The company is still in its early stages, though Hrusovsky was clearly brought in to oversee the commercialization of the organization. He says the focus is on establishing critical factors necessary to take the company into triple digit growth.

Reasons to be optimistic not only include the positive response from the market, but the fact that there has been a successful conclusion to nine months of perfecting the manufacturing technique and an unexpected demand for consumable product.

One company that notes half a billion dollars in revenue each year has already told Quanterix it believes the solution is the "most transformational technologies for cardiac care".

"In the past they tried to screen for disease, but now companies are screening healthy people for early indication," Hrusovsky explains.

The increased revenue, grants from institutions and companies such as General Electric, the National Cancer Institute and the NFL (which awarded Quanterix the GE and NFL Head Health Challenge grant in an effort to advance development of tests to quickly diagnose traumatic brain injuries) as well as marquee venture capital backing shows the interest in Quanterix is more than speculative.

The company currently boasts around 60 employees, which is expected to top 100 in 2015, with the majority of the manufacturing and engineering done by partner companies.

European operations have just begun and it has already attracted a third of placements without much infrastructure on the continent. The aim will then be Asia and beyond.

"I've been blown away by the potential as I interviewed every customer to understand what they were getting and the implications were it was a never seen a tech with the huge potential of really changing the game in an existing market – this is sick care to healthcare," he asserts. RH

Realmatch

www.realmatch.com

Gal Almog

Internet/Online

New York

Yes

» Recruiting the best talent has forever been the major challenge of any growing company. But thankfully for most human resources professionals, new data driven technology is helping to solve the problem. One company wielding this new tech over a huge network of job sites, is RealMatch.

RealMatch Founder and CEO Gal Almog was inspired to start the company when his wife, who worked in human resources, asked him to find a system to simplify the inefficient process of sifting through resumes for qualified candidates. When Almog was unable to find anything suitable, he created one. When recruiting a new employee companies are faced with two major challenges – one is to reach the largest number of applicants possible, and the second is to filter them down to the real quality candidates. "The vision was to connect all the talent in the world with all the jobs in the world in the most efficient way possible," says Almog.

RealMatch overcomes the challenge of reach by connecting together thousands of individual job sites into a network. This way, one job posting acts as a gateway into a huge marketplace, where matching technology enables the best suited candidates to be pointed towards a job, no matter which job site in the network they are searching. At the same time, any company posting a job, can be assured that any candidate across the whole network can be matched up to it. RealMatch's patent pending technology reads through resumes and job descriptions, connects candidates and job postings together, and grades the results of the match on each side.

RealMatch offers its job platform to publishers for free. If a publisher wants to monetize its readers, it can use the platform on a white label basis, and that job board is connected to the larger network. The publisher is then able to charge an extra fee for a job advertisement to be posted on the larger marketplace, and RealMatch takes a small flat fee from that charge to the advertiser. Over 1,000 publishers use the platform and although it is exclusively in the U.S. now, the company is looking for partners to expand internationally.

The publishers which have selected RealMatch have enjoyed some staggering results. One example is The Greenville Sun, a newspaper which was able to increase online employment revenue by 500%. "RealMatch has been a valuable partner in helping The Greeneville Sun grow revenue and protecting our franchise during very challenging times. In the last year, we've increased our online employment revenue by approximately 500% through RealMatch's Total Talent Reach ad program on TheJobNetwork. This powerful solution gives us the ability to help our employment advertisers find the most qualified candidates with job postings on hundreds of employment sites," said Gregg Jones, President and CEO, Jones Media.

The online recruitment market in the U.S. alone is worth $19 billion, according to Borrell Associates, and will grow to $43 billion by 2018. Competition for Real Match comes in the form of Monster and LinkedIn. However, although Monster does power newspaper job sites, it does not have the same reach or quality as RealMatch, says Almog. LinkedIn is different in that it focuses on just one location, rather than thousands of different sites. Almog reports that RealMatch is thriving in the growing market, and is currently growing at over 70% year on year.

Recruitment is undergoing a huge change as matching technology and data-driven

results improve the efficiency of the process. Any company without a robust matching algorithm will quickly find itself out of the game within years, and the race is now on to secure as many publishers as possible. "We are trying to establish ourselves in a highly disruptive market and we need to move fast. Our biggest challenge is to sign up to as many publishers as possible and bring them into our network, so we can build the most powerful talent marketplace," says Almog.

Almog estimates that in the next five years 80% of all recruitment advertising will be based on programs using big data analytics to make decisions. "The winner will be the company which has reached the most audience. This is where we are headed," he concludes.

Red Lambda

www.redlambda.com

Iain Kerr

Security

Florida

No

» Red Lambda's beginnings can be traced back to the University of Florida, when the institution received a grant from the government to create a system which would help universities protect themselves from students downloading illegal material such as pirated movies and music. The offering has gone under many changes since then, starting with the company's founding in 2005.

Bahram Yusefzadeh, now Executive Chairman of Red Lambda, was acting in his role as CEO and Chairman of V2R Group (which he still holds today) when he established Red Lambda. V2R identifies and commercializes emerging technologies from across Florida and the state's university system. The company then took additional government funding and outside investment to commercialize its product – the MetaGrid security platform. The company's activities lessened for a few years, until March this year when it appointed Iain Kerr to reboot its success.

Kerr says the position fitted perfectly into his background in big data, analytics and security, and is excited about Red Lambda's offering. "We're doing analytics in stream time, and we're looking for anomalous behavior and when we find that we quarantine it so that we catch the transgressions in advance of them getting into the data and coming to rest," explains Kerr. "We find the unknown unknowns. The software is finding the anomaly and then we quarantine it and we follow guidelines established by our customers on how to handle the event."

Red Lambda's security solution is particularly targeted at big data systems, and is able to provide the kind of protection that legacy security is unable to. MetaGrid, the software-based processing platform Red Lambda offers, is also designed to work with existing infrastructure, besides detecting anomalies at incredible speeds. The company has been quick to secure the intellectual property of its platform and has eight patents already, with more pending.

Now the company has a CEO with over 30 years of success behind him, the aim is to grow quickly and capitalize on the demand the product is enjoying. Kerr reports that the company has a significant pipeline right now, and not just from the U.S. The CEO was recently in the Middle East where the MetaGrid platform was extremely well received.

Back in July, Red Lambda announced a strategic partnership with Midad Holdings, part of the multi-billion dollar conglomerate the Al-Fozan Group. Midad will represent Red Lambda in Saudi Arabia and Bahrain as part of the deal. "Companies and institutions in the MENA region in general, and in the Kingdom of Saudi Arabia and Bahrain in particular, require solutions that effectively secure data through advanced, Big Data analytics technologies that have the ability to break through the barriers and limitations of their current solutions," said Midad CEO Mohammed Al-Baadi.

Red Lambda is soon to announce funding, according to Kerr, but is making sure to select investors with the right experience and know-how to help move the company forward. "There's a fair amount of money available today to well positioned companies and appeal to the VC community. So we're looking for VC companies that can give us support in many different ways, they can provide guidance, support, access to other portfolio companies that we may be able to form partnerships and relationships with. We're looking for ones that have international experience, are in the security space traditionally and have the contacts and background that can augment what we have as a management team," he says.

The company employs a traditional sales model rather than SaaS, and aims to get commitments of three years maintenance and support when it sells licenses. Each sale brings in healthy revenue, and one license can cost as much as $2 million, with $500,000 annually in support and maintenance. Kerr says the only major task now is staying ahead. "The challenge is making sure that we continue to maintain our differentiation and the lead that we feel we have on any competitors out there."

Red Lambda's offering is multi-vertical as well as multi regional, and that is partly what makes those within the company excited about its future. The company with the long backstory is about to see all the hard work pay off in the near future.

Rise Interactive

www.riseinteractive.com

Jon Morris

Marketing/Advertising/SOE

Illinois

No

» Marketing has come a long way since the era chronicled in Mad Men, when advertisers relied on their own intuition in the absence of significant data.

Nonetheless, Rise Interactive CEO Jon Morris insists that there is ample work to be done. "When the stock market was first formed, think about what the reporting looked like," he explains. "There weren't P/E ratios or any of these other metrics. That's kind of where we are today in digital marketing. The quality of data analysis in our industry is second rate."

The stock market analogy is an apt one for Morris. He founded Rise Interactive in 2004, when he and his business partner Jim Liu (who ultimately opted for a career on Wall Street) decided to enter the New Venture Challenge at University of Chicago's Booth School of Business.

The original idea was to offer seminars aimed at teaching data-driven digital marketing to small businesses, but the attendees by and large did not want to be taught; they wanted Morris and Liu to handle their digital marketing outright. After earning second place in the university-wide competition, Morris abandoned his original intention of pursuing finance, but not his appreciation of rigorous quantitative analysis. Instead, he has used it to build Rise Interactive.

Ten years later, the company continues to employ the quantitative approach that it was reared on at Booth. "Any agency will talk about how their people are the best people. We have a secret sauce," explains Morris. "You have to take an analytics exam with a 22% success rate. The pass rate for applicants coming from other agency firms is 15%...[so] we hire from financial services, engineers, people who are hard-core quants, and not people from other digital marketing agencies."

To ensure that the data is analyzed critically, Rise Interactive goes to great lengths to make sure that its data collection is transparent and granular in the first place. In this vein, Morris mentioned the company's recent commitment to becoming "experts in data visualization."

Morris also touts the fact that Rise Interactive is channel agnostic. Whether it is SEO, paid search, or display advertising, Rise Interactive uses a diversified, technology neutral approach, behaving "like a portfolio manager" in order to optimize the marketing budgets of its customers. Morris is confident that the company's location in Chicago is a final competitive advantage. "In my opinion, everyone talks about the coasts, [but] I don't think there's a better place to be than Chicago to do business," he said.

After reporting $27 million in sales in 2013, the company expects to grow company revenues by 50% in each of the next two years thanks to what Morris describes as an "amazing pipeline." The company is also excited about a new tool called ClearView, which promises to help clients like ConAgra Foods, SportsAuthority, and CareerBuilder understand which marketing channels are poised to generate the best returns. Ten years after its founding, the time also might be right for Rise Interactive to raise venture funding. "We believe there is such a huge opportunity for us to be a leader within this market," says Morris, before adding that if a Series A round is to come, it will be in around 18 months. RH

RootMetrics

www.rootmetrics.com

Bill Moore

Mobile

Washington

N/A

» The number of smartphones on the market today makes choosing a new device incredibly difficult. And the process can be soul destroying if consumers get home with the latest gadget-filled super phone, only to find the reception is so bad they are forced to hang out of a window or scale the roof of their home in order to make a call. RootMetrics provides the most thorough rating of network performance any consumer, or network provider, could ask for to help solve the problem before it even exists.

Traditionally, networks are tested using equipment rather than the actual devices and usually only while driving or outdoors. RootMetrics has condemned that form of testing as obsolete, as it tests using software that sits on top of a phone, and checks the performance of a smartphone taking and placing calls, texting and downloading and uploading data. The company uses smartphones bought directly from carrier or operator stores, ensuring that it is testing the exact experience of a consumer.

The RootMetrics tests span huge areas. In the U.S. around 60% of the population is covered by the assessments, and the same is true of the U.K., where the company also conducts testing. The tests are conducted twice per year and the results gathered together to provide an astonishing level of detail. The top line report, called the Root Score, offers enough information for a consumer to make an informed decision on what device to use. The company's data also goes much deeper than that, laying out insight into over 100 key performance indicators on a network – something which is much more interesting to the network operators and engineers.

For Bill Moore, the CEO and President of RootMetrics, the motivation to build the company was obvious. “We’re consumers like everyone else and we went looking for information to make an informed decision on who would be the best mobile carrier, and couldn’t find that information,” he says. “It wasn’t available. We looked into that and decided nobody was providing the information.”

The company’s approach has drawn acclaim from network operators and consumers alike. “A great network experience — whether using voice, data or text — is of the utmost importance to our customers and we work hard to deliver every day. RootMetrics’ independent testing helps validate our brand promise of consistently reliable upload and download speeds and availability on the nation’s largest and most reliable 4G LTE network. We also analyze RootMetrics’ testing data to help us target network improvements to best serve customers,” says Mike Haberman, Vice President – Network Technology, Verizon Wireless.

RootMetrics also collects data via crowdsourcing. Users are able to download a free app which will collect network quality information and send it back to the company. This approach provides less scientific data however, and is the sole offering of some of RootMetrics’ competitors. Many other network testers only offer insight into the maximum speed of a network, something which many in the media can get hung up on, according to Moore. “The press likes to talk about data speeds and the maximum speeds, and while that is interesting, it’s like saying this car goes X miles per hour. It’s just one element of that car. If you’re only looking at that, you’re only getting part of the picture.”

The crowdsourced data is available in 200 countries across the globe, but Root Metrics is taking a more measured approach to expansion of its primary offering. “We’re taking a strategic approach to not try to move too quickly into new countries,” says Moore. “We believe what we do will work and is sought after in all countries around the world. It’s a question of how quickly we can execute and make sure that we can properly deliver the results – we like to under-promise and over-deliver.”

The company’s main challenge is handling the rapid growth it is experiencing while maintaining it at a sustainable level. Moore describes one of his goals as being able to ramp up properly while ensuring the company mantra of under-promising and over-delivering still remains.

The RootMetrics seal of approval has become a badge of honor for the major networks in both the U.S. and the U.K. AT&T and EE, among others, have both used the Root Metrics rating system to boast of their score on national advertising campaigns, both in print and on television. This kind of exposure has made RootMetrics the default way to score network performance. Through a clear agenda of staying both neutral and accurate, the company has drastically over-performed - by any measure. RH

RxWiki

www.rxwiki.com

Donald Hackett

Other

Texas

No

» Healthcare is one of the most rapidly changing industries in the U.S. Top of the agenda for the sector is to cut expenditure while increasing the level of service offered – no easy feat in any market. But new technology solutions have offered hope.

One of the major problems in healthcare is a perceived shortage of doctors. The Association of American Medical Colleges has predicted a shortfall of 90,000 doctors by 2020, due to the slow rise in the number of doctors compared to the increasing need for healthcare in an ageing population. There are two different ways to tackle that problem – either increase the number of doctors, through a boost in immigration or education, or to increase the efficiency of the healthcare system.

RxWiki attempts to facilitate the latter, by putting more information and power into the hands of pharmacies, and ultimately to the patients. The company has two main offerings, one is a content-as-a-service platform, which allows pharmacists to create and syndicate peer reviewed health and medication information. The other offering is a software-as-a-service platform which enables pharmacists to improve their technology, by distributing mobile apps, process transactions and deliver care services. RxWiki targets independent pharmacists in particular.

“What we are doing is being the technology partner that all the independents don’t have,” says Don Hackett, CEO of RxWiki. “My partner and I first processed electronic prescriptions over 20 years ago, so we knew this was coming, the only question was when. And the market cycles as they are, we’ve hit the right place at the right time with the right product. Sometimes you can’t rush a market you have to be patient and all the dynamics have come together domestically and it’s a great opportunity.”

The digitization of healthcare services is an unstoppable trend. The sector has languished for a long time behind other industries, where technology has been used to increase efficiency and lower costs, but now that is changing. “Digital is here, it’s taking over so the way patients interact with their pharmacists and it’s all going digital. That’s where we are making our technology bet,” explains Hackett. “Your traditional pharmacy is turning into a care center with nurses. The future is very bright digitally and it’s also very bright for the brick and mortar pharmacist. Their number one competitive advantage is their relationship. Their patients trust them.”

RxWiki is now building a relationship with these patients itself, by providing the information, apps and technology to help them interact with the pharmacies. Right now digital advertising makes up the greatest portion of the company's revenues, but new services may change that. For the software-as-a-service offering, the average store is paying around $80 per month, and RxWiki is soon to start charging 25 cents for every prescription refill ordered using its service, a $200 million line of business according to Hackett.

The RxWiki website numbers are impressive. For July the company had around 4 million visitors, and that figure is growing around 15% every month. The company's main competitors in this respect are WebMD, which has a huge number of visitors per month, and Wikipedia. Although not specialized in healthcare content, that section of the Wikipedia site gets even more hits than WebMD, according to Hackett.

WebMD is more of an aggregator of content rather than a publisher like RxWiki and Wikipedia, and for that reason Hackett lists the company founded by Jimmy Wales, which doesn't sell advertising, as the biggest competitor.

There are a few key differentiators between the two. RxWiki's content is compiled solely from pharmacists, meaning all the content comes from experts. "The beauty of our content-as-a-service model is when a pharmacist updates a medication page - let's say today the FDA made an announcement - a pharmacist will make that change but then it's syndicated out to our network. That means every pharmacy's Facebook page is updated, every patient's mobile app is updated. There's no lag between publishing and syndication. It's a real time publishing ecosystem," says Hackett.

The RxWiki platforms have been well received by pharmacists. "RxWiki's Mobile-as-a-Service solution has increased my pharmacy's online business by 30% within one year," said Mark Newberry, PharmD, owner of Tarrytown Pharmacy. "Patients can easily order their next Rx refill, read the latest health news, and research their medication from my RxWiki mobile app."

In the ever changing world of healthcare and pharmacies, RxWiki is doing good business from helping facilitate a change for the better. "Pharmacists in the U.S. are transitioning into healthcare providers because of the supply demand imbalance between patients and doctors today. So pharmacists need access to world class technology solutions to compete in that new world," says Hackett. And that's exactly what RxWiki provides.

Salesify

www.techleadsonline.com

Gurdeep Chimni

Cloud Computing

California

No

» All aspects of a business are important, but without sales and marketing, there is no business. This is why sales and marketing support services have always been popular. Lead generation and contact identification helps sales teams make more revenue while expending less time and money. And now new technology has made that process even more efficient.

Salesify was founded nine years ago by three Silicon Valley veterans, and initially offered a traditional manual version of its services. But the company found a better way.

"A couple of years ago we launched the TechLeads Online platform where we said 'there's got to be a better way to get at this data and get it over to our customer,'" explains Oliver Deng, Chief Financial Officer and Co-Founder of Salesify. The automated system Salesify offers allows the company to process hundreds of millions of records and figure out all the same components that businesses have always asked for, such as who is using a certain technology and who within those companies are responsible for which roles. Salesify then helps its customers define a strategy based on the data which will improve the efficiency of its sales and marketing.

The company primarily targets the technology sector, but its services can be applied to any market. "Initially we were targeting the tech sector but then we had a variety of other companies come to us. We built the engine to process any series of roles and or key words and products and then being able to pull that data out using a big data structure," says Deng.

Scott Kosciuk, Director, Demand Generation, Corporate Marketing at Sage Software, explains why his company, which is in the technology sector, chose to use Salesify's services over other offerings. "We're not spending a lot of money reaching out to folks that might not have a need for our solutions. We've got a lot of requests and opportunities to review a lot of other organization's data and the majority of them are still on a raw basic level of data, but we're trying to be more strategic."

Salesify's automated approach has stolen a march on the competition, and according to Deng, neither of the company's main two competitors in the U.S. have gone down the automation route. Salesify has a further advantage in that it offers a global product, which its competitors largely do not. The price of sales and marketing services outside of North America can be much more lucrative. "We've just started expanding our sales organization internationally, so we've found a huge demand not just domestically. It sells at a super-premium compared to the domestic market. The market appears to be just enormous so we're pretty excited," says Deng.

The company was funded by the founders, and although Deng describes the first two to three years as challenging, after getting over the initial hump all startups face, the company hasn't looked back. Salesify has been growing fast and consistently for six of its nine years, and has never had to raise funds, although that could change in the future. "I think generally we may consider some funding at some later point. Currently it's not necessary. We've been fairly conservative with expansion of sales and marketing teams so if we were going to take on funding it would be to fuel growth faster than our conservative nature."

Salesify brought in $7.5 million in revenue in 2013, and is on track to increase that to more than $20 million this year. The company is growing fast, as are the sales figures of the businesses they provide services to. RH

Scaled Agile

www.scaledagile.com

John Lambert

Software

Colorado

No

» In 2001, seventeen software developers who had convened in Snowboard, Utah published The Manifesto for Agile Software Development. The authors of the Manifesto were advocating a retreat from the conventional Waterfall method of software development in favor of a more dynamic and iterative process known as Agile. The document was succinct; at its core, it promised that its practitioners would emphasize individuals and interactions over processes and tools, working software over comprehensive documentation, customer collaboration over contract negotiation, and responding to change over following a plan.

Over a dozen years later, and according to Eric Wittman of the MIT Technology Review, "agile software development practices are highly regarded in the programming world—so much so that top-tier programmers overwhelmingly prefer it." Scaled Agile is a Boulder, Colo.-based company and an international certifying entity for the Scaled Agile Framework. In three years it has become a thought leader in the field, not to mention a partner to a host of Fortune 500 companies.

Scaled Agile was founded in October 2011 by Dean Leffingwell and Drew Jemilo. Leffingwell is the author of the books Scaling Software Agility and Agile Software Requirements, both seminal texts in the movement towards agile software practices, while Jemilo was previously the owner of his own enterprise agile consulting firm, Fast Frontier.

Their shared expertise allowed the new company to hit the ground running. The company now revolves around the provision of the Scaled Agile Framework, a comprehensive and interactive knowledge repository that guides enterprises on their way to implementing agile software development processes. Fast growth has given the company its competitive advantage.

Scaled Agile revolves around Lean Agile principles and the Scaled Agile Framework (SAFe). "There are frameworks out there that scale beyond team-based agile," explains Jemilo. "But ours is the result of feedback based on actual implementations from our 6,000 certified users...it's not dreamed up on waterbeds."

SAFe is free to the public, but the company offers products and services, like enterprise licensing, custom courseware, and premium training services, that enable customers who are truly committed to agile software development to make the full transition. Such investment pays dividends. According to Jemilo, companies that implement the Scaled Agile Framework report a 20-50% increase in productivity, a 50% reduction in defects, 30-75% faster time to market, and an overall increase in employee engagement. Scaled Agile is constantly iterating on its services and is set to release the newest version of its framework in August.

Scaled Agile, which has until this point successfully bootstrapped itself, reports revenues that reflect the growth in the adoption of agile software development practices. After posting $1 million in revenue in 2012, Scaled Agile generated $3.5 million in 2013 and is on pace to make $7 million in 2014. As the company moves to an Annual Recurring Revenue model, it has set its sights on becoming a $50 million company by 2018. To support its goal, the company will lean on its partners in 35 countries and 350 cities, a network that allows the lean company (13 FTEs, 6 contractors) to exert a global reach.

"Technologies and markets shift constantly, and companies need a development process that can keep up with them," says Wittman. "Agile software development, as more of the world is discovering, is precisely that process."

As agile software development becomes more popular, Scaled Agile will continue to be there to help enterprises realize its full potential. RH

Scribe Software

www.scribesoft.com

Lou Guercia

Cloud Computing

New Hampshire

No

» CRM integration used to be relatively simple. But with the spread of the internet, the explosion of mobile technology, social media, the cloud and the arrival of the Internet of Things (IoT), its little wonder that some companies would rather bury their heads in the sand than tackle what is a seemingly insurmountable task.

The advantage that Scribe has over many of its competitors in the CRM integration market is that it has been around since 1995 and has built up a network of clients and a thorough understanding of the needs of these customers.

It currently boasts more than 1,200 partners and over 12,000 customers worldwide, who take advantage of the fact they don't need to replace their existing CRM software, merely enhance and combine it using one of Scribe's platforms.

Getting CRM integration right can make companies a great deal of money and providing state-of-the-art solutions to maximize this potential is a challenge that president and CEO Lou Guercia relishes.

"I joined Scribe in 2010 at a critical juncture for both the integration industry and Scribe," he says. "Integration providers must now be able to support multi-platform, multi-application integrations with ease as well as global workforces."

Scribe launched Scribe Online – a flexible, scalable cloud-based platform for integration – in 2011 to complement its flagship Scribe Insight solution.

The company is continuously launching new integration services that aim to support both end customer integrations and its partner ecosystem. Having been a major player in the CRM market for nearly two decades, exposure is not the challenge, it's the ability of management to ensure they are making the most out of a significant market opportunity.

"We have over 3,000 active customers who rely on our cloud services, so that's a global base of customers who rely on Scribe to run their operations. So the challenge really is one of execution," says Guercia.

It's also a case of maintaining what the CEO calls the company's "heritage software", while ensuring the cloud–based role out is effective.

Scribe certainly wasn't the first company to launch a cloud-based CRM solution, but Guercia says "as much as there is a great advantage that first mover first vendor, there can also be an advantage in seeing how it is developing and then shaping your offering."

The focus for the next 18 months is very much on the cloud iPass scribe online, mid-market customers and the partners that serve the company. "There are a lot of people fighting it out in the large companies, IBM, Oracle, Informatica, so the mid-market is an underserved market and we are going to really focus on that," Guercia asserts.

Scott Mangelson, CRM practice leader, Armanino LLP says today's enterprises are "drowning in customer data", yet line-of-business users "often can't access the data they need to effectively do their jobs."

"Scribe fills a clear need in data integration today – providing people with the data they need regardless of where they are or what device they are using quickly, efficiently and at a reasonable cost," he says.

Guercia has long been a proponent of doing more with less and gave talks for IBM as far back as 2007. The message clearly resonated after the economic crash. He's employing the philosophy at Scribe by offering industry expertise with affordable monthly payments, rather than multi-million pound capital expenditures – something that appeals to mid-sized businesses.

By allowing partners to deliver more application value so that they can actually build the integration is providing "terrific validation adopting this approach", Guercia asserts. Of course security and data security is paramount and the company doesn't hold any data and uses "industrial strength platforms" to ensure safety.

In August Scribe partnered with Versium, a data technology company that operates a LifeData predictive analytics scoring service. This means that Scribe Software's enterprise partners will now have access to Versium's LifeData and predictive analytics scoring services.

That's more than 400 billion LifeData attributes and predictive scores that are now integrated into the Scribe Online platform.

With continued partnerships like this and the provision of flexible and intuitive CRM monitoring and upkeep for customers, Scribe is keeping all its clients and investors happy. RH

Seamless Medical Systems

www.seamlessmedical.com

David Perez

Other

New Mexico

No

» In early 2011 David Perez was in a doctor's office filling out forms when he missed his iPad. Looking around the room, watching other patients staring silently at a television with its volume shut off, it occurred to him that a better way to manage the front end of doctor's office would be through a tablet.

Not only would filling out forms on an iPad make for a more seamless, error-free workflow, it could also make for a richer, more engaging, participatory experience for the patient. Instead of staring at a silent television, the waiting patient could be reading a health journal for instance, personalized to his or her health needs. By November of that year Perez had a proof of concept and by 2012, with an initial investment of $250,000 from angel investors, he founded Seamless Medical Systems.

Now waiting for an appointment in a doctor's office using Seamless Medical System's patient engagement platform, SNAP Practice, is a lot more efficient. When a patient checks in at the front desk they are handed an iPad running SNAP Practice, to complete and sign all necessary forms. Completed digital forms are then wirelessly transferred to the front desk computer from where it is uploaded into the doctor's own patient management software system in the relevant format.

The patient then waits for their appointment with iPad in hand, which becomes a point of engagement for the patient. They browse personalized, contextually relevant health education content and receives health and marketing information based on the doctor's medical speciality, the patient's demographic, health condition and location. The waiting room becomes a site for point-of-care education and advertising.

A survey by the company in 80 locations using its platform found a reduction in registration time from 10 to 2.5 minutes, marking a significant improvement in workflow efficiency.

"The addressable market is large and virtually untapped given that we are replacing paper with iPad and changing a front end system from the 18th to the 21st century. You can get a sense of the size from the fact that there are about 2 million health care providers and over 5 billion annual patient encounters. It's not a winner take all market. The best software will do well," Perez says.

The company is targeting retail clinics, pharmacies, hospitals, urgent clinics and private practices. "The challenges for us currently is scaling to meet demand and solving distribution to grab market share. Over the next 18 months we want to keep growing. Last year our revenue was zero. This year it will be around $500,000 and next year we project about $8 million in revenue," says Perez.

Seamless Medical Systems raised $2 million from angel investors over three rounds and $3 million from a just concluded institutional round. The company earns its revenue through subscription (taken out by doctors) and through advertising on its personalized health magazine delivered on the iPad through its platform.

Brian Birk, Managing Partner, Sun Mountain Capital, says "SNAP solves a significant problem for a huge market - improving the patient experience with doctors and the healthcare system. The past five years have seen the widespread adoption of Electronic Medical Record systems by the healthcare industry. We believe the market for patient-facing solutions like SNAP will be similarly enormous." RH

SecureAuth

www.secureauth.com

Craig Lund

Security

California

Yes

» Security in an online world is of paramount importance. Breaches in systems and apps have customers leaving in droves and high profile cases are damaging even to the largest organizations.

SecureAuth arose from the confusion of how to create robust defences against cyber attacks, and a piece meal approach to company systems. Craig Lund CEO of SecureAuth, recalls a meeting with a project manager, whom he asked how he knew the person accessing data was who they said they were.

"He said 'Craig that's not my problem', and I knew that's my company right there," Lund explains.

SecureAuth Corporation is headquartered in Irvine, California, with offices in Portland, Cleveland, New York, Chicago, Atlanta, and Dallas, and with master distributors based in London and Tokyo, servicing the EMEA and Asian markets. The company created the SecureAuth Identity Provider (IdP), which turns any enterprise into an identity provider capable of enforcing 2-Factor Access Control in a single solution.

The company says it is the only one that combines SSO with native 2-Factor Authentication in a single product across all platforms.

It is a modern answer to a traditional solution that no longer works in a cloud or mobile environment. Lund explains that from an early stage the concept was not to hardwire in any particular authentication method, "because they are going to change and going to get corrupted and people figure out how to break them."

It was the right move and has meant SecureAuth is very much riding the surging wave of cloud-based security – a wave that will see the 'big names' lose market share to more recent companies.

"There is a trillion dollars' worth of infrastructure and over the next several years half of that is going to be transferred away from those traditional infrastructure companies, such as the Microsofts and Oracles, into the new generation like SalesForce, The Box," he asserts.

Lund says that while there are specific cloud-based security firms, SecureAuth's advantage is its ability to be able to combine non-cloud work and create a secure solution for a company's specific set up. "Some are fast, some are slow, we don't care - we will get rid of your RSA tokens so you can access your Cisco gear – we bring enabling tech that bridges both world."

The company has historically been selling directly to businesses, but increasingly is using reseller partnerships. "We are pushing that heavily and we have got some really interesting partnerships – they want to be private which is fine, but that's becoming really big and it's going to maybe cross over 50% of our business by next year."

The focus is on coping with the growth as the company has doubled in size year-on-year and there are almost 100 employees, up from around 50 last year. Optimism is high, the CEO stating the market is so good, "it's almost hard to mess it up."

Of course this means more people pumping money in to become competitors, but Lund says the more the better as SecureAuth is "out in front of the wave".

The company has raised more than $30 million in funding, the two major investors being Sunbridge and Toba, headed by Vinnie Smith.

It's not quite yet breaking even, but there is untouched operating capital in the bank and with the SaaS model in place it means a monthly revenue flow that should be north of $20 million for the year if things go its way.

However, it all comes down to results for clients, and keeping them happy takes a robust product and first rate support. One happy client is Shawn Irving, senior manager, information security services, Southwest Airlines.

Irving asserts that the carrier chose SecureAuth to provide this advanced authentication capability; "allowing us to creatively meet current and new business needs in an anywhere anytime world."

"SecureAuth has proven to be an excellent technology provider and we look forward to the continued partnership," he adds.

SecureAuth has just launched SecureAuth IdP 8.0, the first access control solution that incorporates risk-based authentication – analyzing and stopping attackers before they breach an environment.

The company has also just hired former Principal Product Manager at FireEye, Keith Graham, to be its new Chief Technology Officer.

With 15 years of experience in I.T., and most recently with deep knowledge of cybercrime and hacktivist activity, he brings to SecureAuth another dimension of security necessary for enterprise identity and access management control.

Positive moves such as these, robust financial backing and a rapidly expanding market makes SecureAuth's future as secure as its security solution. RH

SeeChange Health

seechangehealth.com

Martin Watson

Life Sciences/Biotech

California

Yes

» Health plans can be incredibly general and few believe they can afford a plan that will not only look after their specific needs, but will also take into account the lifestyle they lead.

Martin Watson, CEO of SeeChange Health, was working at UnitedHealthCare (UHC) when he thought of creating a company that would combine the wellness programs popular with large employers with an affordable insurance plan for smaller enterprises.

He left UHC in 2008, and began raising capital to put into practice the newly formed SeeChange Health's initial health plan. The first challenge was to create the package while keeping premiums low enough to be attractive, so a limited number of doctors and hospitals were used. But companies wanted to see a better range of providers so the company ensured it had the best quality hospitals in its network and companies went for it.

Smaller entities could now offer healthcare plans with the bells and whistles normally associated with large company policies. Watson says the company's ability to incorporate multiple data sets and to drill into the individual clinical service needs that will be required in the near term and long term, sets SeeChange Health apart from its competitors.

"We then couple that with our behavioural economic algorithms and engage with the individual to utilize the right service provider at the right time," he adds.

The CEO also admits that the low tech engagement market such as social challenges and gift card market is crowded, but adds the company has not seen any other company which can combine the tech with the advanced clinical/behavioural economic incentives in the same way.

The formula appears to be working, as Pat Cooke, Corporate Director of Human Resources at JFK Health explains. "We realized that the best way for us to begin disease management was with prevention and early identification of disease or precursors to disease," she says. "SeeChange Health provided a solution that would engage our employees and enable us to track employee compliance with preventive health actions, including annual screenings, assessments and disease management guidelines."

"Their compelling data and analytics help guide our decisions about employee health, and their solution has helped lower our healthcare costs and enabled us to pass that savings onto our staff," Cooke adds.

Satisfied customers are all well and good, but they often mean an increase in business, which is why one of the main issues the company faces is keeping up with the client demand as revenue is doubling. Finding the additional software engineering talent is also a challenge, Watson asserts.

But that is not putting any brakes on exploiting new opportunities and there is plenty to keep Watson occupied in the coming months. "We've seen interest in foreign markets and believe we can deploy our technology beyond the U.S.," he says.

The finances for expansion come not only through revenue that is exceeding $130 million, but the fact that SeeChange Health has already raised funds north of $90 million and is looking at raising a "significant round" at the end of the year, which will fuel sales growth and technology development.

Growth trends are also expected to be strong, as the company fights for its share of this $4 billion plus market opportunity.

Next year will see expansion through Europe, and with its focused specialism in the health sector, there are few obstacles in SeeChange Health's way. RH

Shape Security

www.shapesecurity.com

Derek Smith

Security

California

Yes

» How do you protect your website against malicious code? Given that many online consumers use the same password across different websites, how do you protect against automated software using stolen credentials to gain access into your website? The conventional approach has been to scan all the inbound traffic coming into a website, analyze the sources of the traffic and then identify and screen, non-human users or 'bots' — pieces of automated code used by hackers to gain entry. This reactive, resource-intensive method requires pre-knowledge of problematic sources and does not always work. Shape Security is a company that is disrupting this space by bringing in a more elegant approach to cybersecurity.

Shape uses a technology it calls 'real-time polymorphism' to essentially continuously change the underlying code of a website without affecting the end user experience.

So while the website's user-interface remains unchanged, under the hood, the website is constantly changing — making it in essence a moving target to any malware. Automated malware is not adaptive in real-time and so attacks static targets, against which it tries a series of premeditated strategies to gain access. But this approach fails against websites where the structure is continuously changing. It does not matter then if a bot has the right password, if it can't read a constantly changing login page. The company is calling its technology the world's first 'botwall'.

Shape Security was founded by Sumit Agarwal, Justin Call and Derek Smith who each bring sizeable experience in cybersecurity. Call was Vice President, Engineering at the data-loss prevention firm co-founded by Derek and sold to Raytheon in 2008, called Oakley Networks. Agarwal is a former Mobile Project Manager at Google who served as Deputy Assistant Secretary of Defense at the Pentagon.

Launched in 2011, Shape Security has raised a total of $66 million in three rounds of funding, $40 million of which came in its Series C round concluded in February 2014. Among the company's investors are Kleiner Perkins, Google Ventures and Northwest Ventures. RH

Signal

www.signal.co

Mike Sands

Marketing/Advertising/SOE

Illinois

Yes

» Chicago had long been considered to be a flyover city for venture capitalists. 2013 was the Windy City's best year for digital startups, which collectively raised over $1 billion - 170% more than 2012. Among its headline companies, including Groupon, Braintree and GrubHub, there is Signal.

To many, Signal, a cross-channel marketing and technology provider, might still be known by its former name BrightTag. The name change came this June, after BrightTag bought out Signal the previous month. To date the company has raised $50m, including $27m debt financing from major investors including Yahoo! Japan late last year. Today the firm runs 38,000 digital properties in 158 countries. That puts it well within the higher echelons of Chicago's growing digital industry.

"Acquisitions and IPOs generated more than $3 billion in Chicago last year, compared to $700 million in 2012," says Signal's CEO Mike Sands, who has been at the company as CMO and COO as part of a long career in the industry. Sands' work at General Motors prompted Brandweek to name him a 'marketer of the next generation'. At Signal, which specializes in cutting-edge realtime, cross-channel marketing technology, his talents have found the perfect fit.

Signal offers a cloud-based marketing platform that gives the world's most renowned Internet retailers the ability to make real-time decisions on tag management by leveraging instant online data. Essentially, the company's software solutions allows for overall management of tags and code that come from advertisers, ad placement networks, and other organizations that collect data on site visitors.

A tag management system (TMS) "can put your company in the position to instantly switch out marketing technologies," writes MarketingLand's Josh Dreller. "Choosing a TMS that is ecosystem-neutral - whose technology is compatible with any other technology vendor - will give you the flexibility to change technology solutions whenever you choose. Neutrality enables you quickly take one vendor's tags off your site and add another vendor's on."

A recent Signal poll found that 53% of marketers have steadily increased investment into technology over the past three years. Yet only 5% of respondents reported having a fully integrated marketing stack.

"Digital marketing technology is constantly evolving, but the infrastructure used to collect and connect consumer engagement data hasn't changed in 20 years," says Sands. "For example, legacy technology - cookies and bits of code called tags or web beacons - used to collect website data doesn't work in mobile and other environments where Web browsers don't exist, and where customer interactions are increasingly occurring.

"Marketers need a new data infrastructure that goes beyond the browser to collect data from any online or offline source, including mobile, email, in-store, CRM etc," he adds. "Such a foundation should be able to instantly distribute real-time data to any technology used by marketers for one-to-one customer communications, such as serving ads, personalizing a site, or sending emails or mobile messages to customers."

Signal's neutral, open-platform is like a power grid, which allows marketers to wire up all their data collection points with the technologies in their marketing stacks with plug-and-play ease. It allows for higher engagement, which is essential in crowded customer-driven markets.

"Simply collecting data and dropping it into a database isn't enough," says Sands. "First you need to synchronize the data points to an individual - and do it at the right time, at scale. Then you need to align your reporting and analysis marketing systems."

For Signal, the strategy is working. Its partners include some of the world's biggest customer-facing companies, such as AOL, Rakuten and Responsys. With so much in the can for 2014, Sands is looking forward to strengthening the Signal brand beyond its name change, and pushing forward with product development.

"Ultimately Signal's solutions make clients' marketing programs more productive and profitable by growing customer loyalty, increasing visitor engagement, and increasing conversions," he says. Next year will bring "international expansion, and developing partnerships throughout the marketing ecosystem." RH

SkyCross

www.skycross.com

CEO Ben Naskar

Mobile

California

Yes

» If the future is mobile, then the future of mobile, at least for the foreseeable future, is data. It is here that demand is creating the biggest opportunity in the mobile space - in the consumer hunger for mobile data and broadband services. The acute growth in mobile-data demand has put an onus on efficient technologies that enable carriers to improve data speed while meeting the increased demand for bandwidth. And this has in turn put the focus on a critical component of the smartphone and the tablet — the antenna.

The antenna has become key to beating the supply constraints restraining telecom carriers from exploiting the huge opportunity awaiting them in mobile data. In the slower 2G/3G networks, the antenna had a straightforward role; to receive and transmit signals. But with faster 4G networks, they start to play an even greater role in maximizing a network's efficiency and effectiveness, both in terms of costs and user experience. There is an increasing need therefore, as we move towards higher data speeds, for advanced and sophisticated antenna technology. Answering that need is SkyCross.

Started in 2000, SkyCross initially began life under the military contractor BAE Systems until it was commercialized by Samsung in 2005. Since that time, SkyCross has, with over 200 patents, emerged as a leading global designer and manufacturer of advanced antenna and RF (Radio Frequency) solutions. Its patented technology has made it the leader in LTE (Long Term Evolution) — the high-speed data wireless communication standard (marketed as 4G LTE) that is seeing increased adoption worldwide as a cost-effective 4G network.

For instance, its Dual iMAT technology allows four or more antennas to compactly fit inside a smartphone while maintaining sufficient isolation, dramatically improving the reception, bandwidth and data speed of the phone on an LTE network. The company's VersiTune-LTE antenna allows a single phone to work optimally across different LTE networks — which are notorious for being extremely fragmented as each 4G carrier utilizes a different frequency — thus bringing the industry technologically closer to achieving a universally optimized 4G phone.

"SkyCross is virtually without competition in the above technologies. The competition is typically large volume manufacturers or the low tech, cheap antenna manufacturers coming out of Taiwan. In the smart antenna's space we don't have much competition," Ben Naskar, Chairman and CEO, says. According to Naskar, SkyCross has just one rival in Ethaelectronics, which also makes smart antenna technology.

It's not surprising that the market for antennas, a component key to making a device mobile, is poised for robust growth over the next five years. In the case of LTE, this strong growth is expected to be longer as developing markets upgrading from 3G will echo the LTE adoption currently underway in developed markets like Western Europe and North America. This can only bode well for an LTE antenna leader like SkyCross.

"Data communication alone has seen a thousand-fold increase over voice and this means an opportunity for smart antennas that will increase through output and data speed. It's a $2 billion market for antennas that is set to boom with the Internet of Things," says Naskar.

Starting with Samsung as its only client, SkyCross now counts as its customers all the key players in the mobile phone/tablet space (except Apple) with a huge presence in China. Besides having a significant presence in the data networking space, the company started earning revenue in 2005 which has seen an average year-on-year growth of 35% and in 2014 turned profitable.

SkyCross has been funded by a combination of debt and capital, besides a small group of strategic investors such as Intel, Docomo and SK Telecom.

The main challenge for SkyCross at this stage in its evolution is the continued investment of capital. The company's competitive edge lies on the sharpness of its innovation and that means investing in R&D. When factoring in the fast-changing technology landscape of the mobile sector, the continued investment of capital in equipment, manufacturing, research becomes critical. Some of the money needed will also go into the company's plans to diversify and move into new segments. The company therefore is looking for investors and sees its future in an IPO or M&A.

"I have five priorities for the next 18 months. Growth, growing the profit margin, diversification, investment in CAPEX and R&D, and finally a successful exit through either an M&A or IPO," says Naskar.

Dr. Albert Kim, MD, Investor Growth Capital (IGC), who first invested in SkyCross in late 2008 and has since continued to back the company through a number of follow-on investments, says, "SkyCross has grown at a 35% CAGR over the past 4 years and we are excited about the future potential of this company. Ever increasing demands on RF performance have put a much greater emphasis on intelligent antenna design over the past years and will continue to do so. This trend is accentuated in cellular handsets and the rapidly growing number of connected devices in the 'Internet of Things' due to continuously shrinking form factors and OEMs chasing world records in 'thinness.'"

The future is tuned on antennas. RH

Skyhigh Networks

www.skyhighnetworks.com

Rajiv Gupta

Cloud Computing

California

Yes

» The economy-wide shift to cloud storage is well underway, but the convenience of remote data storage is tempered by greater vulnerability to hacking or worse.

A number of start-ups have been founded in recent years to address the increased security needs of businesses moving their data to the cloud. One of the first-movers in this space is Skyhigh Networks, founded in 2012 by a trio of former network security experts working for Cisco Systems.

The company's main product is a suite of data monitoring and encryption tools that let enterprises securely adopt cloud computing services. CEO Rajiv Gupta debuted the company at last year's RSA conference, the world's best known cryptography and information security-related event.

"We were taking a very different approach to an industry problem, and we got a lot of interest at the event, including from venture capital firms," says Gupta.

In its two year history the firm has already raised over $65 million in three rounds of venture funding. Early backers include Silicon Valley veteran investors Sequoia Capital and Greylock Partners.

In the company's most recent Series C round of funding in June this year, Skyhigh Networks raised $40 million and secured a strategic investment from Salesforce, one of the biggest cloud computing firms in the world.

Despite this head start, Gupta still looks over his shoulder at the spread of cloud security start-ups entering the market. "We take all competition seriously, I have a healthy mix of confidence and paranoia. There is nobody who has the same level of traction as us but they are companies who are emerging, such as Ciphercloud," said Gupta.

Even with competition, the market for close computing services is big enough to sustain several large companies. A report by technology research firm Gartner found that spending on cloud services could reach more than $180 billion in 2015. The total address market determined by Skyhigh Networks is closer to $5 billion, though Gupta stressed that this figure will grow.

With an abundance of capital, the main challenges that Skyhigh Networks faces come from rapid growth, such as running out of office space and recruiting the best workers.

Skyhigh Networks has had a meteoric first year, enjoying the support of 'smart money' venture capital firms as well as a strategic partnership with arguably the most important cloud computing firm in the industry. If the company can continue on this trajectory then it will likely capture a sizeable chunk of the cloud computing services market. RH

Skyonic Corporation

www.Skyonic.com

Joe Jones

Clean Tech

Texas

No

» CO_2 emissions are a problem for the world and all the major industries that contribute to them. Not only is it linked to the potentially devastating effects of global warming, in a bid to curb CO_2 production, governments are now taxing and regulating those that create it as a byproduct.

But this is not the answer, according to Skyonic president and CEO Joe Jones. Jones saw the potential of carbon capture from a chemistry standpoint, counter to those who were looking to engineering solutions.

"Ten years ago the idea of carbon capture utilization as a means of achieving large scale tonnage of carbon capture was considered out of hand," he explains. "There were people who were thinking completely mechanical engineering and going to go nuclear and pump all CO_2 in the ground."

But with the near completion of Skyonic's first commercial carbon capture facility, Skymine in San Antonio Texas, carbon capture utilization is now a real alternative - and probably the biggest story in clean tech right now.

The facility uses the post-combustion capture method to trap CO_2 which is then treated with caustic soda to produce sodium bicarbonate, hydrogen gas and chlorine gas. Bicarbonate and hydrochloric acid will be sold for industrial uses and is expected to generate almost $50m annually, paying for construction costs in around three years.

And while current industry estimates place the cost of carbon capture between $150 and $450 per ton, SkyCycle uses a thermolytic chemical reaction to capture carbon dioxide emissions at costs estimated to be between $16 and $25 per ton, significantly lower than industry averages. The technology is a post-combustion process that enables the capture of 94%+ of emitted CO_2 from a plant's flue gas stream.

CO_2 is "one of the largest unsatisfied social demands in our society," Jones continues. "Having a true play C02 negative, profitable without carbon regime company is a pretty big winner."

What has become an incredible story of turning trash into treasure did not have beginnings as an eco story though. "The knock on benefits of this are a lot more involved than I originally thought," explains the candid CEO. "I thought it was a carbon play that would make money in chemicals, but it has knock on environmental effects that are clearly more profound. Whole generations of children are being killed in China by bad air, in the Persian Gulf fisheries are being killed by desalinization and South Africa needs everything it can to deliver to its people so it remains a stable and progressive country."

Skyonic uses salt water in its processes and strips coal-laden air, and it's clear to see why Jones says the company is proud and he describes the tech as the gift that keeps on giving. "Around the world it works in any currency in any language it's really been heart-warming for me personally – the most satisfying work I've ever done in my life," he adds.

And this isn't just sentiment, investors clearly like what they see.

"Our Technology Ventures group at ConocoPhillips invests in great business ideas. Some of these technologies have the potential to improve our exploration and production performance. Others - like Skyonic - offer us the opportunity to be a part of potentially breakthrough technologies," says Ram Shenoy, chief technology officer, ConocoPhillips. "Skyonic's ability to efficiently capture CO_2 and transform it into commercially viable products is an attractive opportunity that supports our commitment to sustainable development."

Last year Skyonic, which was founded in 2005, secured $128 million at the close of its Series C round and gained an additional $12.5 million this year from ConocoPhillips and new investor Enbridge - Canada's largest energy infrastructure company.

The additional funding will help in the continued development of Skyonic's SkyCycle technology toward commercialization and support international growth for the company. And it will be a case of how fast the company can build the plants, as the most profitable processes will allow for roll out on a bigger scale.

Jones is clear the focus will be on ensuring shareholders' happiness with financial results and many will appreciate that their profits are coming from a company that is tackling a serious environmental issue. And as the rollout of facilities commences, Skyonic's technology will no doubt be utilized across the globe.

SmartZip Analytics

www.smartzip.com

Avi Gupta

Software

California

Yes

» The world of real estate is one of the most competitive industries in the world. For that reason, any technology that can help realtors obtain even the smallest advantage is in high demand. SmartZip Analytics provides a predictive marketing solution for real estate and related industries.

The company's SmartTargeting platform identifies the best prospects accurately, and helps reach them through targeted offline and online marketing channels. SmartZip, headquartered in Pleasanton, California, is backed by Intel Capital, Claremont Creek Ventures Crest Capital Ventures and Javelin Venture Partners.

SmartZip's new product SphereTargeting, helps agents capture transaction opportunities from their existing sphere of influence.

The company last raised funds in July, when it secured a $12 million Series B round. Crest Capital Ventures led that round, which was raised to help accelerate product development and expand sales and marketing. SmartZip does plan to expand its offering out of the real estate sector and into other industries in the future.

"We are thrilled to be backed by Crest and excited for what lies ahead for SmartZip with this new infusion of capital," said Avi Gupta, president and CEO of SmartZip at the time of the funding. "For the last five years, we have been blazing the trail on making big data and predictive analytics actionable for the real estate industry, and this funding will enable us to capitalize on the vast market opportunity in front of us."

The company's new investors were also happy to be involved. "SmartZip is at the forefront of applying predictive analytics technology to help real estate businesses increase market share and improve ROI," said Jason Woods, president of Crest Capital Ventures. "We are impressed with what SmartZip has accomplished to date, and excited to be part of their future as this technology is sure to become a mainstream application for businesses of all kinds."

Solace Systems

www.solacesystems.com

Craig Betts

Hardware

Canada

Yes

» Solace Systems was founded in Ottawa, Canada, in 2001, by Craig Betts. Over the years at a large systems integrator, Betts grew frustrated at how much time and energy his team put into architecting, developing, and deploying application infrastructure. "It was the same thing over and over," he says. "Middleware was always one of the most expensive and fragile parts of every distributed system, consumed a large percentage of the budget, and seemed so much more repeatable than the software we were using made it seem," adds Betts, who is currently Solace's CEO.

"I founded Solace with the goal of making information sharing between applications as straightforward, reliable, and cost effective as networking is between computers," says Betts. "We established Solace in Ottawa, Canada because it has long been a center of innovation in both networking and telecommunications, which helped us build an outstanding team of engineers and executives from companies like Alcatel, Cabletron, Cisco, Equant and Newbridge Networks." Solace Systems signed its first beta customer in 2004, and began shipping production products a year later.

Today the company is headquartered in Kanata, Ontario, Canada, and has offices in major cities around the world. Some include New York City, London, Zurich, Tokyo, Singapore, and Sydney. It employs over 130 employees, and over the past five years has achieved a compound annual growth of 42%. "We expect to meet or exceed that pace for several years to come," says Betts. Solace was profitable and cash-flow positive in its last quarter.

"The company's big claim to fame is its hardware approach to message acceleration," writes HPCWire's Michael Feldman. "Traditional messaging is accomplished via software running on servers, but Solace has developed what they call a message router."

Solace's rack-mountable network middleware allows higher throughput for messaging, and, according to the firm, gives more consistent latency than its competitors, which include Informatica and IBM's WebSphere MQ. A key example of its work has been with British banking giant Barclays, where it moved real-time trade and risk data between over 900 applications. Solace has helped Barclays consolidate many middleware technologies, saving millions of dollars in software licenses and operational cost. Solace is IP secure with 19 patents granted on its application network technology. Its products replace conventional software-on-server solutions at a rate of 15, or more, to one, by raising the ceiling on throughput of data, whose numbers are always on the rise.

Solace's clients are among the largest companies across a range of industries including capital markets, payment services, government, telecommunications and internet companies. Some of its headline clients include Harris, Deutsche Bank, and the US Department of Homeland Security. It has a 97% renewal rate among its clients, and existing clients . Betts claims that Solace is making a concerted effort to diversify its revenues. "We've barely scratched the surface of what is possible in financial services, but our growth in other markets is what is fueling the company," he says. "We can go much wider and deeper into financial services, manufacturing, retail, energy and more. Every medium to large company has large scale information management challenges."

In the future, Betts says, Solace expects to see around 25% of its revenue from financial services, with the remaining 75% headed up by telecom, government and energy. Over the past three years, business in the Americas has contributed 52% of total revenues. But a resurgent European economy, and partnerships across Asia should result in an upturn in fortunes there too.

And with global information doubling every 18 months, Betts sees a bright future for his charges: "Today applications need to continuously share information, with updates streamed between systems, and out to people for efficient decision making. Globalization is driving more information sharing between geographies -supply chain data, risk management profiles, customer information, and much more must be up to the minute worldwide.

"Whether you're talking about consolidating information for big data analytics, streaming sensor readings as part of the internet of things, or integrating applications within private and public clouds, these megatrends guide our vision," he adds. "We aim to be the best option for all kinds of data movement within mission critical and business to consumer applications." For Betts, who believes that the application infrastructure market will ultimately be bigger than the network equipment market, Solace Systems is ideally placed to become a leader in inter-application data movement. RH

Solavei

www.solavei.com

Ryan Wuerch

Social Media

Washington

No

» Utilizing the power of the crowd to sell is an old idea which has found a new power in the age of social networks.

Solavei is a Mobile Virtual Network Operator (MVNO). The company offers mobile services to its customers by buying wholesale access to one of the established wireless carriers. What it does differently however, is to use a referral system, similar to a Tupperware or Amway referral marketing model, to pass on rewards to its customers. For every three friends a subscriber helps sign up, the subscriber gets a one-time bonus. As long as those friends continue using the service, the subscriber get paid a monthly sum. As they sign on more users, and as they in turn sign on others, the original subscriber gets paid.

Soon, depending on the size of the pyramid, the original subscriber not only has a free mobile service, but is earning a net monthly income from the referral tree, which according to Solavei, can be as much as $20,000 a month. All of this happens online.

"Solavei is based on the convergence of four trends. The fact that lesser and lesser people trust big brand advertising. According to a survey, only about 47% people. As opposed to the fact that over 90% people trust recommendations made by their friends. The second is the rise of Social Media and social networks. Then there is the rise of Mobile phone users. Over 300 million and counting. And finally the social referral methodology," Ryan Wuerch, Co-Founder and CEO, Solavei, says.

For Solavei though, cellular service is just the beginning. The company is diversifying to enable what it calls a fully functioning social commerce platform, built over widely used online social networks such as Facebook.

"A social commerce platform enables members to pay less for goods and services - on things that they are already buying, by using the power of numbers - members are tied together as a community. Imagine the collective leverage that comes of being connected to hundreds of thousands," Wuerch says.

The monetization of a consumer's social network through a peer-to-peer marketing referral system to bring collective pricing leverage on commonly used goods and services. "We started with mobile but the idea behind the social commerce platform is bigger than that. We've already connected with the top 30 retail brands across sectors like energy, cable, financial services and insurance. More economic exchange leads to more economic exchange." According to Wuerch, the company signed on over 300,000 people in the first 20 months on the social commerce network.

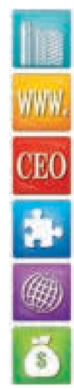
Started in 2012, Solavei was founded by Wuerch, who brought over his experience from Motricity — a mobile data services company that he founded and grew into a publicly traded enterprise worth $1 billion. Solavei has raised a total $26.5 million in four rounds of funding. $7.5 million has come from Cavallino capital and the rest from a mix of private equity and debt financing. The most recent round in 2013 brought in $10.9 million. In 2013, its first full year of operation, the company earned $50 million in revenue and $10 million in free cash flow.

In terms of the distribution methodology, Solavei is without competition in the mobile space, even as it competes with heavyweight mobile service providers. But the company's greater promise seems to be in its vision of facilitating the social commerce platform with a wide range of goods and services. Here, its potential competition in the future could be the very social networks on which its platform is built. But as Wuerch points out if Facebook wanted to enter Solavei's market, it would have to change its entire model.

Wuerch points out the significantly complex technology involved as barriers to entry—Solavei has filed nine patents and expects to file 16 more by 2015 — and the first mover advantage in getting scale.

The fact of the networked world is that we are already socially referring services and recommendations to each other every day. What Solavei has done is to monetize this, thus making the crowd an effective sales force. In doing so, the referral strategy removes the need for retail chain stores and the billions spent in acquiring new customers. It's cheaper and more efficient. Solavei's social commerce platform is a promising idea rooted in our times. RH

SpiderCloud Wireless



www.spidercloud.com

Mike Gallagher

Mobile

California

Yes

» Mobility in the workplace offers enterprises efficiency and flexibility previously unseen in the office. But this trend has posed some complex connectivity issues which have required elegant and effective solutions.

SpiderCloud's E-RAN offering, made for mobile operators, gives enterprises and large venues exactly that type of solution. The system, which can scale up to 100 Radio Nodes (1.5Million Sq Feet), can be installed by a mobile operator in just a matter of days, and just requires a LAN or VLAN and just one rack unit of space in a wiring closet.

"The outdoor macro network architecture has fundamentally stayed the same for the past 20 years and it was built to support

outdoor connectivity and outdoor mobility - they weren't built for supporting mobility and people being indoors," explains Mike Gallagher, CEO of SpiderCloud Wireless. "So we had the novel approach of what would happen if we had a clean sheet of paper: how would you build the technology and infrastructure if you were looking to build it from the inside out?"

The fresh approach taken by SpiderCloud, the first radio company to come out of Silicon Valley in almost 30 years, has proved to be a huge advantage in the market. When the company was designing its system from scratch, it took inspiration from WiFi, and aimed to replicate the efficiency and ease of use which makes WiFi so successful. Starting an idea from fresh has its drawbacks, but some of these can end up strengths in the long run. With no legacy technology to build from, SpiderCloud wrote almost every single line of code itself, and built the system from nothing. Not an easy task, but this gave the company an unparalleled expertise in the technology, which in itself is complicated to grasp and perfect.

"Nobody else tried to replicate it because it was very hard. We had to write very sophisticated algorithms to make sure we could do soft hand offs and very quick hand offs and really understand where users were at all times," says Gallagher. "Outside you're dealing with a 2D network, handing off from one base station to the next. When you're indoors you're dealing with a 3D architecture and you may be able to see five or ten other access points. That was a big challenge to us and we executed on that very well."

This success has led the company to the next generation of the product – putting 3G and LTE into the same architecture in the same sized access point with multiple radios, all running on the power of Ethernet. That product was announced last Fall and started shipping early this summer and is the first dual system capable of scaling, according to Gallagher.

SpiderCloud's investors include Charles River Ventures, Matrix Partners, Opus Capital and Shasta Ventures. They have been anything but disappointed with their investment. "Very few companies have the people, the idea and the drive to change an industry. SpiderCloud never gave up and is driving big industry players to change mobility from the inside out with its scalable small cell system. That's what we do, we invest in people," says Bruce Sachs, General Partner with Charles River Ventures.

The market is starting to get more competitive as some of the larger players belatedly enter the fray, in most cases after their hands were forced by customer demand. However, Gallagher is not worried. "We're a startup and startups have to be much faster, much quicker, less expensive, much more scalable and have more differentiation, and that's what we bring to the table. The good news about the competition is they have validated the market, companies like Huawei and Ericsson don't enter these markets unless they are billions of dollar markets."

As with any startup, SpiderCloud put in an enormous amount of work at the start of the company to ensure its success. Now Gallagher is happy to report the hardest years are over, and this is "the fun part." Over the past 12-18 months, SpiderCloud's purchase orders have become larger in volume, from purchases worth "a couple of million" now the company enjoys orders worth $5 million - $10 million: a clear sign the market has arrived.

That does not mean that SpiderCloud is about to rest on its laurels. Gallagher talks almost as excitedly about the new work underway as he does about the fruits of the previous success. "We're focused on developing even more advanced algorithms. We're working in areas that simplify what we do. We have a great base to work off of," he concludes. RH

Splice Machine

www.splicemachine.com

Monte Zweben

Big Data/Storage

California

Yes

» Big data analytics has revolutionized certain sectors of the economy. But a lot of companies using this form of analysis have found that the amount of data they are processing is exploding, making cost and scaling issues the major challenges facing big data.

Monte Zweben, Co-founder and CEO of Splice Machine, realised the need for a Hadoop relational database management system (RDBMS) designed to scale real-time applications using commodity hardware without application rewrites.

Co-Founder and CTO John Leach, who had worked with Zweben at Blue Martini and went on to work on big data projects for Nike and Walmart among others, reached out for advice on his new company and the pair realised they were working on similar ideas.

Both were frustrated as no big data solutions had architecture that allowed real time applications to run alongside them. "So we said okay we both have two sides of the same coin and John joined Splice Machine and brought in some software and away we went to build the only Hadoop RDBMS that was both real time and transactional," explains Zweben.

The result was the Splice Machine database, a scale-out alternative to traditional RDBMSs, such as Oracle, MySQL, IBM DB2 and Microsoft SQL Server, that can deliver, the company claims, more than 10 times improvement in price and performance.

The early adopters for this kind of technology seem to be digital marketers, financial service companies trying to do fraud detection and cyber threat security, and there are a life science applications for large scale advisory applications, says Zweben.

There are also verticals in personalised medicine, health monitoring and the Internet of Things (IoT). "We are currently working a number of relationships right now with various companies both large and small and we are formalising those relationships," Zweben continues. "This is a critical part of our strategy so while I will reserve the naming of relationships, I will tell you that at Blue Martini as an example, we had amazing relationships with companies like Accenture and IBM.

The company is emerging out of its data phase to making its products available to customers for the first time. Over the next two years comes commercialisation and spike. "That is so exciting where you go from $0 in revenue to tens of millions," Zweben adds.

The plan is to make companies aware and show how fast the software is. "Getting them to try the product is the critical first step and then converting those trials into initial use cases," he asserts.

The company has just had a $3 million extension to its Series B financing. Venture capital firm Correlation Ventures, along with database industry luminaries Roger J. Sippl and Roger Bamford, provided the additional investment to help Splice Machine accelerate its product development and build out the sales and marketing teams for its Hadoop RDMBS.

It expands the initial $15 million Series B investment from Interwest Partners and Mohr Davidow Ventures (MDV), bringing the total round to $18 million. Splice Machine received its first round of funding from MDV in October 2012.

Sippl, who has been in the enterprise software technology business for more than 30 years, likes what he sees. "I invested in Splice Machine because it provides a Hadoop-based, scale-out SQL alternative to legacy databases such as Oracle and MySQL. Splice Machine is a compelling solution for those whose databases become too costly or difficult to scale when facing the explosive data growth occurring at most companies," he asserts.

With real-time data in big data analytics, it should be no time before Splice Machine is making real money.

SpotXchange

www.spotxchange.com

Mike Shehan

Internet/Online

Colorado

Yes

» Video advertising is exploding in popularity and advertising and ad tech companies are either serving the new area, or are falling behind. SpotXchange provides a video advertising platform which aims to offer publishers maximum revenue for desktop, mobile and connected TV inventory, while driving down operational costs.

Online video advertising is expected to grow globally at a compound annual growth rate of 24% between 2014 and 2018, according to the company. The programmatic video advertising is expected to increase from $2.7 billion in 2013 to $15.4 billion worldwide in 2018.

The company's platform transacts more than 2 billion ad decisions for video advertising imprecisions daily. The Denver-based company has offices in New York, San Francisco, London and Sydney and recently announced a strategic expansion in Europe. The expansion follows RTL Group's acquisition of a 64% stake in the company for $144 million.

"RTL Group's investment in SpotXchange represents a huge opportunity to accelerate our growth, particularly in Europe, and further advance our goal of becoming the leading comprehensive video advertising monetization platform across desktop, mobile and connected TV for premium publishers world-wide. We are integrating our programmatic trading, ad serving and yield optimization technologies with RTL Group's leading European broadcast companies and top tier global content producers beginning with RTL Nederland and IP Deutschland's Netzathleten Media," Michael Shehan, CEO of SpotXchange, said.

RTL Group is a European entertainment network with interests in 53 television channels and 27 radio stations. The company's television portfolio includes RTL Television in Germany, M6 in France and the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia, Hungary and Antena 3 in Spain.

As video advertising continues to grow, companies such as SpotXChange will be ideally placed to take full advantage.

SPR Therapeutics

www.sprtherapeutics.com

Maria Bennett

Medical Devices

Ohio

N/A

» Interventional pain management is a new emerging alternative to traditional non-surgical pain management that seeks to both bypass the pitfalls of addiction and be minimally invasive. SPR Therapeutics is a medical device company looking to invigorate the interventional pain management market.

"We saw a gap in the pain management continuum. There are different types of therapy to manage pain. Pills, which is the first line. The second line is injections, narcotics, opioids — they have adverse effects and are something that we are trying to get away from as a society. And the third line is implantable medical devices that require surgeries. In this, we see the opportunity for minimally invasive, reversible, drug free implantable device as pain management therapy," President, Founder and CEO, Maria Bennett, SPR Therapeutics, says.

SPR's answer to this need is the Smartpatch Peripheral Nerve Stimulation (PNS) System designed to address musculoskeletal, neuropathic and post-surgical pain. The system consists of an external device, the Smartpatch stimulator, which delivers an electrical signal to an electrode implanted in the muscle close to the peripheral nerve that is being targeted. The electrical signals stimulate the target nerve within the muscle thereby exercising the muscle and treating it for pain. The electrode remains implanted throughout the therapy period after which it is withdrawn and discarded.

The external stimulator and the battery on which it runs, are compact and light enough to be secured on to the patients skin via an adhesive. The Smartpatch system will serve the $150 billion pain market, in particular those suffering shoulder pain from strokes, as well as chronic lower back pain.

SPR Therapeutics was founded in January, 2010 as a portfolio company of NDI Medical, LLC, a hybrid venture capital and commercialization firm focused exclusively on neurodevice technologies. President, CEO and Founder, Bennett has led SPR Therapeutics from inception. SPR followed her involvement as VP of Clinical Affairs at NDI, in the development of a neurostimulation system for urinary incontinence, which would go on to be acquired by Medtronic for $42 million in 2008.

"It's hard to pinpoint an exact number but the opportunity is monstrously big. Pain side intervention alone is in billions of dollars. In orthopedics alone, the opportunity is about $4 billion. There is a niche for a less costly, less invasive pain management system utilizing neuro-stimulation. There is an opportunity for market penetration for already existing products. There are smaller companies pursuing similar goals but further behind in development," says Bennett.

SPR Therapeutics has received over $10 million in non-dilutive funding from multiple grants and loans from sources such as the National Institutes of Health, The United States Department of Defense, and the State of Ohio, besides raising $5 million in Series A funding in 2011. With over 90 patents, the company is at a pre-revenue stage, awaiting clearances on regulatory approvals in the U.S. having already cleared a few in Europe and Australia. Something that Bennett cites as a challenge for the company, "The medical device world is heavily regulated. Frankly it's out of control. Getting reimbursements for devices through third party payers and Medicare is difficult. Cost and coverage is getting tighter under the new healthcare system which makes it difficult for manufacturers."

SPR is looking for at least one strategic corporate partner with the sales and marketing infrastructure to help the company towards commercialization. Over the next 18 months the company wants to conduct clinical trials for a number of different pain indications, to help it prioritize development.

Raymond R. Rackley, Professor of Surgery in Neurourology, Cleveland Clinic, says, "As an SPR investor, surgeon and biomedical engineer, I believe the SPR team delivers on the three pillars of commercialization success: 1) They leverage the power of integration by creating platforms of innovations, not just single inventions. 2) They are focused on the needs, not inventions, of the neuromodulation market. And 3) They have proven success in fulfilling the promise of innovation by creating technologies that serve to relieve human suffering and pain." RH

Stoke

www.stoke.com

Vikash Varma

Telecommunications

California

Yes

» LTE has revolutionized mobile services, and allowed consumers to enjoy a whole new range of possibilities with their smartphones. The high speed mobile broadband connectivity has also spawned various mini sectors, such as games, video and audio services, all of which would not work on slower, earlier connections.

Stoke, Inc. delivers gateway solutions that secure LTE communications between the radio access network and the operator core. These solutions provide protection to subscribers, while also securing the critical mobile core infrastructure.

The company has offices in the U.K., U.S., France, Spain, Japan, Korea and Singapore and has a global approach. Stoke recently announced a deal to provide its services to mobile operator customers in Brazil, where LTE adoption is high. Agility Networks, a service provider to Brazilian mobile broadband operators added the Stoke technology to its portfolio.

"Telecoms organizations using a shared network require IPSec because they and their customers need to be assured that their voice and data traffic has been secured and encrypted at every stage until it reaches its trusted destination," said Carlos Teixeira, President of Agility Networks. "Our operator customers are increasingly looking for a proven and reliable security gateway and we are pleased to add the Stoke solution to our portfolio to complement other solutions with RAN-agnostic IPsec encryption and traffic optimization."

LTE already has a very high adoption rate in most developed countries, but as that level increased in more developing countries, the market for services such as that offered by Stoke will rise as well. Vikash Varma, President and CEO of Stoke said after receiving the Red Herring award: "The mobile broadband industry is increasingly focused on the critical need for scalable and flexible solutions to safeguard mobile carriers' network assets while protecting customers from security attacks. Our solution is already proven in live LTE deployments and, as a central player in this evolving market, we are excited about the new opportunities ahead of us. We are very pleased with this recognition of our momentum and potential."

StreetLight Data

www.streetlightdata.com

Laura Schewel

Clean Tech

California

Yes

» Laura Schewel, Founder and Chief Executive Officer of StreetLight Data saw a gap in information on how people commute, shop and move around in the real world.

"The available mobility data is so old and static that it is nearly useless for meaningful decision-making," she explains. "This poses problems for brick-and-mortar retailers and city planners, who are basing huge infrastructure investments in site building and transportation on very limited data."

In 2010, while pursuing her PhD in Energy and Resources at UC Berkeley, Shewel founded StreetLight Data with the intention to commercialize new technologies to shed light on transportation behavior. Essentially the company exists to allow companies to make smarter decisions based on real data.

"StreetLight's metrics capture where people actually go, not just where they live, and how those patterns change over time," Shewel says. "Travel and intercept surveys, while also providing empirical data, are costly and time-consuming to do and they capture only a snapshot of people's behavior on the day of the survey."

StreetLight has two key innovations: its technology and its metric design. The technical innovation is a set of data processes that can extract information about mobility patterns about any place in the U.S. (this will soon be rolled out outside of the States) in under 10 seconds. This relies on a new way of combining de-identified and archival locational data from the cellular and GPS-navigation networks, and contextualizing it with other geospatial data, Schewel explains.

The technology allows analysis of group patterns without ever tracking an individual, critical when privacy concern is such a hot topic.

The company's near term challenges include accelerating sales growth and Schewel believes this can be achieved by continuing to create channel partnerships with consultants and software-providers, as well as creating marketing and on-line education materials.

Long term, the biggest challenge is to create more metrics that describe very complex mobility behavior in a way that is so simple that a busy Mayor or CEO can understand in a few moments.

Earlier this year saw the launch of StreetLight InSight® and there will be a focus on improving visibility of it in core markets as well as building a partner ecosystem. Initial clients are very happy with the results as Dave Chipman, Director of Real Estate Strategy, Men's Wearhouse, explains.

"For a long time we've been trying to find a solution to estimate sales better for brick and mortar business," he begins. "One of the solutions we found was streetlight data that allows us to take traffic flow data to estimate sales potential for stores."

"The most important thing about streetlight data is we can take that data look at how customers flow from where they live, where they work and where they shop and based on that info it helps us make better decisions on where to locate stores, where to relocate stores, possibly where to close stores, and based on all this information it allows us to enhance the models to make better decisions."

StreetLight has received recent investment from T-Venture, the investment arm of Deutsche Telekom and Vision Ridge Capital and it also received seed funding in June of 2012 and Series A Financing in April of 2013.

Services are available through an annual subscription to its data-as-service-platform, ranging from $10,000 to $120,000k per year. Uptake has been incredibly positive, according to the company and interest is coming from a host of sectors.

Schewel says the company will continue to release additional metrics sets and can create specialized sets relevant for types of clients. At the same time, Streetlight's business and engineering work has been set up to allow for new types of data streams to be easily integrated. This not only expands the types of metrics the company can offer to existing customers, but also expands the audiences for which it can create specialized metric sets.

The market is believed to be worth $5 billion to $7 billion in the U.S. alone, but international expansion is already on the cards. "Technical hurdles are low", says Schewel, but the company will require "strong partnerships" to expand its database.

It's early days, but the signs and the data show that StreetLight should be expecting a great deal of client footfall.

Sureline Systems

www.surelinesystems.com

Ravi Goyal

Other

California

No

» Business Continuity (BC) and Disaster recovery (DR) refers to an organization's ability to recover from a disaster and resume operations. Effortless and ultra-secure DR systems with quick recovery times have remained the preserve of big companies with multiple data centers for a long time.

For smaller organizations, the cost-effective approach to DR has been the limited, cumbersome and time-consuming use of back-up tapes with effective recovery times that takes days. A modern BCDR solution has remained outside the scope of smaller enterprises even as the cost of being offline even for a day has seen a dramatic increase for mid-tier companies. But this is about to change.

Sureline Systems is a company with a simple mission: to become the leading supplier of business continuity and disaster recovery for medium and large enterprises.

"We provide enterprise class solution for the mid-tier market. Our customers worry about electricity blackouts and air conditioning system failures. We don't just back up files. Our recovery is not just of servers or data, but the entire digital environment. This is our key value addition. We provide high-end solutions to the mid-tier market," Ravi Goyal, Co-Founder, President and CEO, Sureline Systems, says.

The key is affordable quality for the small player and reducing system downtime from a few days to a few seconds, which was previously unaffordable to organizations on a budget. This is a mid-tier market opportunity for Sureline Systems, that Goyal estimates at $6 - 8 billion per year.

Sureline Systems was founded in 2009, around the time that a paradigm shift was occurring in data center technology. The emergence of virtualization technologies, cloud storage, and scalable computer infrastructures opened a new approach to data protection and data recovery management, did away with the traditional trade-offs between cost and performance.

Goyal saw the opportunity and co-founded Sureline Systems with Kiyotaka Okubo. Okubo brought over 25 years of sales experience while Goyal brought his authoritative domain expertise and over 25 years of experience in product development. Before Sureline Systems, Goyal had co-founded Dataline Systems, a long-term archival storage company later acquired by Hitachi-LG Data Systems. Ravi wanted to address what he calls the 'broken prophecy of BCDR' and bring it to those who couldn't afford true BCDR solutions.

BCDR is a well-established market place and crowded. But the same paradigm shift that gave Sureline Systems its niche, now gives it an edge over more established players. "Incumbents are facing a challenge with the change in the server technology. Our direct competition, Symantec and Commvault are losing about 5% market share every year. There has been a major paradigm shift in data center technology in virtualization and the move from captive to cloud technology. Incumbents have a different architecture and they will find it difficult to change and evolve new architectures unless they start from the ground-up," says Goyal.

Sureline Systems has six patents so far with four of them under process. In addition, Goyal says that the company has identified a total of ten high level technologies that could yield patents for the company in the future. "Ours is a homegrown end-to-end solution which is rare in this industry," he says.

Sureline Systems has had seed and a Series A rounds of investment, raising a total of $9 million through mostly friends and family and investors such as the data storage company Violin Memory. "We are not looking for investors right now. We have a current interest from an investor in China to develop a joint-venture there. An investment of $16 million. Half in the U.S. arm and half in the JV," says Goyal. The company earns its revenue through sales of hardware and software, and through a subscription model.

The main challenges for the company are scaling sales and marketing. "We are in the process of understanding China. In Japan we are on autopilot since Japan follows the O.E.M. model and we have an O.E.M. partner in Hitachi," Goyal explains.

"When a small or medium goes through hardware failure, they are down three to four days. SUREedge (Sureline Systems's BCDR appliance) completely erases that," says Gary Cooper, Consulting Partner, Frontier Networking.

Sureline Systems is riding a technological paradigm to open up a new market segment underserved on quality in the BCDR space. The company has made its own opportunity. Its success will depend on how quickly it can grow and how far it can press its first mover advantage. RH

T3 Motion

www.T3Motion.com

William Tsumpes

Clean Tech

California

No

» T3 Motion has found its niche in the confluence of two market trends - the substantial market for security post 9/11 and the rapidly growing market for clean technology, in a world increasingly aware of climate change.

The result is the development of a three wheel electric vehicle designed for law enforcement, security and the military. The T3 series is a single-person, stand up, personal mobility vehicle ideal for security professionals. The vehicle's zero degree turning radius along with its commanding stature gives it the maneuverability and presence to drive through a crowd, making it well suited to crowd management and the patrolling of airports military bases, campuses, malls and public event venues.

The T3, as a zero-gas emissions electric vehicle, has substantially low running cost of about 10 cents a day as opposed to $30-45 for a petroleum based police car. The T3 opens up a portion of the market created by police department purchases following the increased homeland security spending since 9/11. And so far the vehicle has done well.

The company already has 5,000 units on the ground with about 95% of these in police and government agencies. The T3 is now in use in over 500 airports including 50 of the largest international airports. It is also seen a coast-to-coast adoption in the U.S. with over 300 police departments including the LAPD, NYPD as well as the CIA and the FBI. In use in six continents and 30 countries, the T3 has found an enthusiastic adopter in the campus security market with the USC campus alone employing 30 T3 vehicles.

"We invented the three wheel electric vehicle. We invented this space, so no competition really. The two wheel Segway is the closest. [Our] advantage is better visibility, commanding presence and the fact that we are far more safer vehicle platform," William Tsumpes, Director and CEO of T3 Motion, says. "Our biggest hurdle was proving that this is a viable alternative and getting people to adopt a new technology. Now we've reached a critical mass in terms of adoption. Going forward it will be much easier and quicker."

Having established a significant presence in the domestic and international security market, the company is now looking to diversify and enter newer markets. "We are coming up with models for emergency response medical services besides the general patrol market. Over the next 18 months, we want to introduce two to three new vehicle models. Including one for the high end golf market," says Tsumpes.

One such new opportunity the company foresees is the U.S. postal department. "The U.S. postal service is the biggest fleet opportunity in the world. We see the market size initially at $500 million. The projected cost for the postal vehicle is $40,000. The postal service has about 225,000 vehicles. Their gasoline cost alone is about $3 billion per year. The fuel savings alone constitute a tremendous windfall, they can pay for the whole new fleet with 3 years of savings on gasoline. The vehicles have onboard charging and removable and chargeable battery packs so distance isn't a problem at all," Tsumpes says. The postal vehicle would have a top speed of 40-50 mph - sufficient for the purposes of delivering mail.

T3 motion started with a purpose of building a three-wheel stand up electric vehicle for the police in 2006. The company has raised $47 million so far through three different financing rounds with $5 million through debentures. The company is in the process of raising another $23 million in equity. Profitability had become an issue for the company when Tsumpes was brought in to clean up the organizational inefficiencies within the company. Since his arrival in 2013, the company has become leaner and doubled its operating margin. "We expect our current revenue of $20 million to grow to about $75-100 million in the next 24 months. Wallmart recently bought 2,000 vehicles from us. That alone was a $15 million order," says Tsumpes.

In terms of barriers to entry, Tsumpes says there are plenty, "When we control 99% of the market it is very difficult to compete with us because we continue to improve ourselves and constantly develop our designs. We are adding new features like streaming live video directly from screen to command post. There is a whole new generation of technology for law enforcement that we are working on. We can be going upmarket while others are simply entering."

Tsumpes adds, "We possess the experience and resources after eight years of expertise in building electric technology. The only challenge for us - for anyone developing something new - is getting the capital that we need to finish the additional units and designs."

The Los Angeles Sheriff's department had much praise for the T3 series. "Each vehicle has a unique and identifiable application. In fact, on the first day of deployment at the Palmdale Mall, deputies credited their use of the device to the successful capture of two robbery suspects." RH

Tenable Network Security

www.tenable.com

Ron Gula

Security

Maryland

Yes

» Since 2002, when it first unveiled the Nessus vulnerability scanner, Columbia, Md.-based Tenable Network Security has been protecting networks from malware, hackers, and viruses. Now, with over 400 employees, 24,000 customers, and the backing of some of the security industry's most respected investors, it is widely recognized as an industry leader.

"The name Tenable means to defend against an attack," says CEO Ron Gula. In the last six months, there has been a lot to defend against. High-profile security breaches from Heartbleed to Home Depot have meant that more companies are looking into solutions like the ones offered by Tenable.

"They've spent all of this money and they can't demonstrate they're secure," explains Gula, "So what we're seeing is organizations are coming to us so that they can respond to risks in real-time, where before they were responding to events in real-time."

It's not that enterprises are all of a sudden deciding to invest in sophisticated security offerings; it's that they're becoming more sophisticated about the security that they're investing in. "You look at all of the big attacks," says Gula, "and all of these organizations were really well-equipped. What's wrong is these organizations don't have an end-to-end view of their security."

Tenable offers this end-to-end view through what it calls its Unified Security Monitoring approach, which involves monitoring security vulnerabilities in real-time, logging customized critical events, and presenting them in a unified interface to I.T. administrators. According to Gula: "Through comprehensive integration, we really can tell you what your highest risk is and how you can go and reduce it."

Accel Partners and In-Q-Tel, the joint investors in Tenable's 2012 $50 million Series A financing round, are highly regarded within the security community. The funding from Accel represented the VC firm's biggest North American investment to date. While the financial capital has allowed the company to expand both its number of customers and employees, the firm's industry wisdom has also helped Tenable chart its future.

Amazon Web Services (AWS) now recommends that Amazon Machine Image (AMI) developers use the Nessus scanner in the development, staging, and production phases before publishing to the AWS Marketplace.

In the In-Q-Tel investment, Tenable received one of the highest endorsements a company in the security space could earn. "In-Q-Tel, they're more of a vetting process," explained Gula, "They wanted to make sure it was a good company to work with the U.S. intel community." It did, and it isn't the only affiliate of the U.S. intelligence community to agree. In 2013, the Defense Information Security Agency (DISA) selected Tenable as the Assured Compliance Assessment Solution for the Department of Defense (DoD).

Gula says that, at the current run rate, Tenable's revenues will hit $100 million for the year, which would represent 50% growth from the year before. But for a company that has made its mark providing continuous security monitoring solutions, Tenable Network Security is not satisfied with the status quo. "We've got 24,000 customers and we speak to them on a regular basis, but we want to go to the next level," says Gula. RH

ThreatTrack Security

threattracksecurity.com

Julian Waits

Security

Florida

Yes

» I.T. security has changed significantly over the past decade. So much so that companies have had to shift away from a reactive approach of containing threats to a proactive method of detecting and preparing for attacks before they occur. ThreatTrack Security is one security company which has evolved with the industry.

"Our heritage is in signature-based malware detection mediation, and we know because of the way the market has shifted only using signatures is not enough," explains ThreatTrack CEO and President Julian Waits. "We had the first commercialized sandbox technology in the market, which is ThreatAnalyzer, and now we've created ThreatSecure to go after the whole advanced threat market as well."

The security industry is extremely profitable, and as a result the market has become crowded. Waits believes this has become detrimental to the services offered to customers. "The competition is very intense. Not just because we compete with each other, but because we as vendors are confusing the market," he says. Consolidation has already begun in the market with several smaller startups being bought by the larger vendors, and this is set to continue, according to Waits.

One constant truth about digital security is that it must always start with the human. Spear phishing in particular targets users with customized emails or links, which when clicked enables the attackers to gather data from a system. Waits himself was recently the target of a spear phishing attack, when an email supposedly from ThreatTrack's bank came through with the company's expense report. The only clue it was not from the bank was the attached form was not in the usual format it was sent in, meaning Waits was able to call the bank and ask if it had changed the format of reports. Having established it was indeed a virus, Waits sent it to his team, which discovered the program would have gone after a lot of information about his company which was stored on his PC. The story highlights just how much of security can be undermined or boosted by the decisions of the human user.

ThreatTrack's approach to spear phishing is to identify links which are harmful before the user even has chance to open them.

The service that ThreatTrack provides has created a loyal customer base from a number of different industries. "ThreatTrack Security hands down has a unique vision that extends beyond the identification of advanced malware to a methodology focused on automated threat remediation," says Mark A. Arnold, Director of Information Security & Global Information Security Officer, PTC. "As today's threat landscape continues to evolve, the team at ThreatTrack Security continues to keep pace with (and even ahead of) the world's most sophisticated threats with its innovative and disruptive ThreatSecure platform. Armed with ThreatSecure, CISOs and their teams are already poised to withstand the next wave of targeted attacks."

ThreatTrack is currently profitable and, having been spun out of GFI Software last year, has not raised funds at any point. "If we did do a raise it would be more along funding our sales and marketing efforts to more rapidly go after the market. We just released our ThreatSecure into the market recently and the uptake has been fabulous. As a company, we fully funded the operations of our legacy business and the cash flow from that is funding the new entity," says Waits.

For now the company can look towards a promising future. "There are two offerings I'm excited about. We're taking our ThreatSecure technology and we're repackaging it so it can be OEMd by other vendors. In other words take this component, drop it into your UTM appliance or into your IPS system and get instant advanced threat protection integrated into your technology with your name on it."

"We have in a Hadoop system somewhere near 43 terrabytes of malware data and we'll be coming out with a new generation of our threat IQ product that is completely focused on predictive analytics before the end of the year," Waits concludes. RH

Trueffect

www.trueffect.com

Finn Faldi

Software

Colorado

No

» A twin crisis faces mobile advertisers. First is they are losing access to their audience because of a war being waged on what has so far been the standard method of tagging, tracking, and targeting online ads — the third party cookie. The second problem is being able to tell with any kind of confidence, the impact a given ad is having on its audience.

Third-party cookies and the associated ecosystem are facing a major crisis because of the ubiquity with which they are now being completely blocked and deleted, by users, security software and mobile devices. And without a reliable metric to gauge ad engagement and target consumers, the online ad space is facing the paradox of staying stunted even as everyone acknowledges and understands that online, and particularly mobile, is the future of advertising.

One company is trying to change the status-quo and bring online advertising closer to its promise. Trueffect is a media and measurement company that enables advertisers to leverage their own proprietary customer information along with user data from external, third-party, vendors to better target display advertisements, improve measurement accuracy in order to optimize ad delivery as well as more effectively cross-sell products and services.

The company does this through a patented platform that bypasses ad censorship through the use of first-party cookies. First party cookies are so called because they are served from behind the firewall from within the advertisers or brands domain. They are not swept up by antivirus software, browsers and devices, and are less likely to be deleted by users because they are specific to a domain. But beyond access, they become even more useful as sources of data for targeting ads. Because first party cookies use the domain of the marketer, the approach is able to utilize the advertisers own proprietary data regarding consumers, allowing for more effective targeting of ads and cross-sells.

"Bank of America is a client of ours. Instead of advertising a product to an existing customer that he already has a checking account, the bank can target him for a product that he does not have yet, like a credit card," Finn Faldi, President and CEO, Trueffect says. "Browsers like first party and you get better contextual targeting. We get rid of the inefficiencies of the old marketing methods. We are disrupting the third party model. With us only our marketers control the data unlike third party. We don't access the data."

Faldi cites this control over data as a major reason for first party becoming more prevalent going forward. Trueffect has one of four certified ad servers in the market place. It is the only one that is first party.

"The market is massive. The display market is about $60 billion. At least $30-40 billion of that is an opportunity for us. The future of performance marketing is very bright. Travel, medical services, retail, telco and cable, and financial services — all these existing sectors, which are also our own focus, are going to increasingly want performance marketing. Our client retention has been over 90% in the last two years," says Faldi.

The company's revenue last year was $21 million. That figure is expected to reach $35-40 million this year and $60-75 million by next year. Trueffect has 60-70 clients which Faldi says is proof that the model works. Now the focus for the company is to grow quickly. The company has a strong patent portfolio; 12 in all including both patents awarded and pending.

Trueffect started out as an idea among engineers in a conference room back in 2005-06. "It was a science project for eight years until about 2.5 years back when it was bought out by three New York investors. I was subsequently brought in to manage and turn it into a profitable business," says Faldi.

Faldi leads Trueffect with nearly 20 years of senior management experience in both start-ups and public technology companies. "We have grown really fast in the last 22 months, given that it's a challenge to find the right partner and the right cadence for growth. Scaling up, that's the challenge. Our immediate goal is to grow another 70% next year."

The company has raised $8 million in total through two rounds of investment. The last round raised $5 million in July this year. The company has not used VC money and has as a strategic partner an institutional investor that has invested $5 million in the company. Trueffect is not looking for investment at the moment and considers itself self-sufficient.

Many major companies like Wallmart are setting up in-house online marketing concerns out of a big motivation to control their own data. Trueffect does not access its client's data and gives it total control; something that third party can't do by definition. This is likely to be a huge draw for the company now and in the future.

TRX Systems

www.trxsystems.com

Carol Politi

Mobile

Maryland

No

» Silicon Valley's tech giants are racing to develop tools to accurately sketch out building floor plans on the fly, one of the last major challenges for today's satellite-based mapping technology.

Both Google and Apple are pouring money into indoor mapping technology, with the goal of leveraging this detailed geo-location data for marketing and advertising purposes. But such technology is also critical for emergency services, particularly firefighters, who need to navigate unknown buildings quickly and effectively.

This was the challenge posed to the founders of TRX Systems, a company started in 2001 by two experts on sensor tracking technology, the current CTO Dr. Carole Teolis and Ben Funk, vice president of engineering.

"TRX started with the intention to develop a safety system for the fire fighters. It was an early time to start to solve that problem, but then realized it was a pretty difficult problem," says CEO Carol Politi.

The firm found that current sensor technology was not advanced enough to reliably cope in field-tests. So it developed its own wearable sensor hardware, as well as computer algorithms which combine to dynamically map out a building in real-time. These algorithms can correlate information from a range of different sensors, then 'intelligently' infer the plan of a building based on probability and location estimates.

This research has resulted in TRX filing 30 patents, seven of which have been granted. The company raised $2 million in Series A funding from a range of investors including Motorola Solutions, New Dominion Angels and the Maryland Department of Economic Development. TRX has also received support from DARPA, the U.S. Department of Defense's research agency, as well as the U.S. Army.

The firm's competition can be broken down into markets; on one side are the hardware manufacturers developing better sensors and on the other are the navigation software developers such as the Israeli start-up Shopcloud.

Project Tango is a prototype tablet, being developed by Google's Advanced Technology and Projects group that can map its surroundings in three dimensions using a series of cameras. Apple, on the other hand, has released a system called iBeacon that uses Bluetooth-powered sensors to locate smartphone users indoors. However, both of these applications are more centered on tracking consumer movements in shopping malls and airports, for example, rather than on the security and public safety focus of TRX Systems.

"We need to make sure we focus on the right areas and have the right vision for the company," says Politi.

"While there is a big market in retail and airports for this technology, we might not be focused there. Over the next 18 months we're focused on public safety and mobile devices, both of these are high growth areas for us," she adds.

So far its strategy has been lucrative for TRX; in 2013 the company recorded $2.2 million in revenue and, according to Politi, 2014 has been even better.

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"It's a big market, I think $4 billion by 2018. We can't take all of that but maybe half of it," Politi says. With international demand from South East Asia and Middle Eastern markets, there is reason to believe that TRX Systems could do it.

Ubiquity Global Services

www.ubiquitygs.com

Ray Iglesias

Professional Services

New York

No

» Software development has become a critical element for any business, no matter what the sector. But knowing the specific demands of software development is a struggle for most, let alone knowing who to hire for each required role.

That is why outsourcing development resources are critical to the success of many projects. Ubiquity Global Services noted this need and developed Own Shore IT, a system that takes on the sourcing, recruitment, hiring and retention of employees, while the company manages their output directly.

The company also boasts an in-house development group dedicated to creating proprietary tools and technologies as well as providing contracted software development services for clientele in the financial services space.

Founded in 2012 by a group of technology and outsourcing executives, Ubiquity Global Services arose out of the acquisition of TxVia, by Google. The group says it saw an opportunity to build a better outsourcing organization by leveraging technology, developing an improved culture of training, and bringing real expertise in areas such as payments, e-commerce and mobile.

"Following the acquisition, the team negotiated with Google to take all of the existing servicing business either directly or indirectly, and some of the resources to the new entity," says CEO Ray Iglesias. "We believe strongly in the idea that motivated employees exposed to excellent development deliver a superior service, which in our case is often related to the customer experience," he continues.

The company has developed a number of technologies that enable it to "institutionalize" its learning and development culture resulting in "substantial improvements to employee satisfaction", which has reduced attrition and "delivery of customer experiences substantially better than our competition."

Scott Scovel, VP at Univision Communications believes Ubiquity was the perfect fit when the company decided to launch a prepaid card product. "We needed a team that would provide us with expertise and data-driven insights," he explains. "Ubiquity stepped up to the plate, understood what we needed, and then quickly delivered it with confidence and results."

Glowing reviews certainly help, but the market for general outsourcing services is extremely competitive for a variety of reasons. "There have always been low barriers to entry into a crowded outsourcing space occupied by hundreds of companies fighting for brand recognition and market share," Iglesias states.

"The sheer number of available outsourcing options has inflicted downward pressure on the pricing of services, which has in turn eroded the incentive for delivering consistently exceptional service."

"The resultant commodification of the space has generated an ongoing trend towards industry consolidation and the emergence of numerous multi-billion dollar outsourcing companies employing tens of thousands of people."

However, these big box outsourcers and their remaining "mom and pop" competitors tend to produce "one size fits all" solution designs and predictably mediocre results.

The competition includes established outsourcing industry market leaders such as Teleperformance and Convergys or consulting firms like Accenture and IBM Business Services.

And the company's greatest challenge comes in the form of deciding which industries and solutions to focus and expend resources on.

"For example, given the market leading position already established by the company in prepaid and emerging payments outsourcing, how are resources deployed between additional marketing in that area, increased focus and resources on software sales to the BPO industry, and increasing the geographic footprint of the company, to provide just three examples," Iglesias says.

The next 18 months will be spent addressing this while continuing to push forward in prepaid and emerging payment outsourcing, including live voice customer service, risk, disputes and chargebacks. There will also be an emphasis on growing SaaS and its Own Shore IT business, as well as developing the geographical footprint of both delivery abilities and sales efforts.

When it comes to investment, Series A and B financing rounds have raised $9 million. Profitability is expected to be achieved this year and considering Ubiquity operates in an industry where revenues total tens of billions of dollars, the market opportunity is obvious.

The company is currently operating in the U.S., El Salvador and the Philippines, but there are plans for Europe, Asia and Latin America. With a firm financial backing and satisfied customers, the years ahead appear to be full of opportunity and growth for Ubiquity.

Vitals

www.vitals.com

Mitch Rothschild

Internet/Online

New Jersey

Yes

» There really isn't anything in the healthcare sector to rival the marketplaces boasted by e-commerce giants such as Amazon and eBay. Vitals is a company that is focused on providing one. In the words of its CEO, Mitch Rothschild, "We want to make 'buying' a doctor as easy as buying a car or TV online."

Vitals is trying to re-invent the way consumers choose healthcare providers by providing them information on cost, quality and access through the use of actionable data, digital tools and consumer reviews. It is doing this at a time when the U.S. healthcare system is undergoing seismic shifts - such as the growth of high-deductible plans and the new ways of accessing healthcare like Urgent Care Centers and Telemedicine.

A complex decision matrix for the healthcare consumer is changing after a long time and information has become even more relevant and with higher costs. By working with hospitals and insurance companies, and using patented digital tools utilizing electronically-sourced public data, Vitals hopes to make itself relevant to consumers looking for good quality healthcare at a low price.

The company's hope is to become a healthcare gateway, a one stop shop where a person can search for a doctor, estimate how much a visit will cost, specific to your need and health plan, will cost you, and then make an appointment online.

Vitals was founded in 2008 following an insight that came with rather unfortunate timing. Rothschild, a techie and until then a layman to the U.S. healthcare system, tore his Achilles tendon in a basketball game. Later, lying on the operating table prepped for the surgery with seconds to go before the anesthesia would put him to sleep, Rothschild saw the doctor smile at him amiably and heard him say, "I am glad you are here. I don't do this often."

As it happened, the surgery turned out well, but the doctor's comment stayed with him well after the surgery. Rothschild asked himself how he could have had that information earlier and what he could have done to make sure he was getting the best care. Those questions led him to found Vitals.

"We are the Microsoft of the industry. We have competitors in individual spaces like Healthsparq (which works on healthcare data transparency). Our only real rival is Healthgrades, but they aren't as good as us," says Rothschild. At any rate, the market is potentially enormous and the niche is so vast that there is a lot of space for competition.

The company earns its revenue in two ways; through subscription, by serving as the consumer front end for health plans and large hospitals, and from advertising on its direct-to-consumer website Vitals.com that gets 10 million unique visitors every month. "Our revenue is in eight figures. Over the last six years, we have seen a Year-on-Year top line growth of 40%," says Rothschild.

Rapid growth brings its own challenges of scalability and resource crunches, but the main challenge for Vitals, as Rothschild sees it, is one of changing deep-rooted mindsets. "We're bringing information transparency to healthcare and this is not traditionally the case in this industry. Hospitals and insurance providers are very reluctant to transparency. It's a mindset that is changing but slowly," Rothschild says. While a challenge, this also gives Vitals a significant first mover advantage.

The company has no plans to expand internationally given the enormity of the U.S. market alone and the inefficiencies to be overcome. The company raised $22 million last June through private equity.

Brandon Hull, Managing General Partner at Cardinal Partners and Vitals investor, says the company is doing a good service for society. "For too long, the American Healthcare system has infantilized the patient-consumer. How can we even pretend to have a healthcare 'marketplace' without basic information on price and quality? Vitals is solving this long overdue problem by providing the basic building blocks of a functional marketplace for patients trying to differentiate between healthcare providers and health plans using the power of social networks, crowdsourcing, and analytics." RH

Welltok

www.welltok.com

Jeff Margolis

Cloud Computing

Colorado

Yes

» Healthcare managers, whether they are health plans, brokers, employers or care organizations, have traditionally faced a struggle to get their members to engage with their wellness programs and health tools. This traditional lacunae has become even more glaring because of the changes in the healthcare system; in particular, changes in the way the government and commercial insurers are reimbursing for health services.

Given that healthy members use less health services than unhealthy ones allowing insurers bigger bottom lines, the question that many insurers and providers are asking is, how do you keep members healthy? How do you make at-risk populations pick up healthy behavior? Welltok has the answer.

Founded in 2009, the Denver-based startup has been on a mission to help health plan providers bridge the traditional gap in member engagement through a suite of Web and mobile social media-based solutions.

Welltok has developed a social health management platform, that helps health plans firstly increase the engagement and reach of their services by bringing the user experience at par with the times, in terms of ease-of-use, accessibility, customization and, social and mobile, functionality. Second, it helps health providers and insurers, incentivize healthy behavior.

The platform integrates with health-tracking devices like Fitbit, Up and Nike+, allowing users to track health-related activity and earn points for meeting wellness goals. Points that can be converted into financial rewards or discounts on premiums. So, if people are at risk of suffering from a potentially expensive condition like diabetes, they can reduce the premium they pay on their health plan by exercising for 30 minutes every day.

The use of personalization tools, fitness-tracking devices, wellness content, game mechanics and community dynamics to provide a more engaging health experience for end-users has produced engagement rates that are four-times the usual, according to the company. Welltok has been contracted to serve nearly 10 million consumers through its platform so far and the company is looking to expand its footprint further.

Welltok has raised a total of $73 million so far in six rounds of financing with the last series D round in mid-October 2014, bringing in $ 25 million from Bessemer Venture Partners. The company's investors also include Emergence Capital Partners, InterWest Partners, New Enterprise Associates (NEA), Miramar Venture Partners and Okapi Venture Capital. RH

Xactly Corporation

www.xactlycorp.com

Christopher Cabrera

Cloud Computing

California

Yes

» Chris Cabrera, Founder and CEO of Xactly, was aged 25 and working at a former employee when a data entry error resulted in him being paid $80,000 instead of $8,000. When he highlighted the mistake to the company, administrators said they probably wouldn't have spotted the error, or that two other employees had also been paid incorrect amounts – and hadn't owned up.

The incident showed Cabrera that manual systems don't work and don't motivate behavior. With Xactly, companies unleash the motivational power of their incentive compensation through its cloud-based, secure solutions, which aim to allow enterprises to take control of their incentive processes and inspire performance.

This means that rather than a spreadsheet stored on a staff member's computer - which is susceptible to error - sales reps can get on their tablets and smartphones anywhere in the world and find out where they're at in real time and how much they're being paid. They can also work out how much they will make on a certain deal in real time, which of course is an incredible incentive to close.

The company has also launched Xactly Insights. Built on the industry's most comprehensive set of empirical sales incentives and compensation data, the solution allows customers to easily benchmark their own incentive compensation programs, including spending and crediting, against peer companies in similar industries in order to optimize results.

This allows customers to create intelligent compensation initiatives based on actual sales compensation and best practices data. The solution also provides the tools to implement, track and analyze plans and performance, as well as calculate sales compensation payments – all from one easy-to-use platform.

"Businesses are increasingly recognizing the critical relationship between a strategically motivated sales team and the company's own success, especially in an environment where the pace of disruption continues to accelerate," Cabrera says. "While incentive compensation plays a crucial role in this equation, companies have had few avenues to inform, measure and benchmark their spend and performance and have had to generally rely on self-reported survey data. This first ever empirical data set gives our customers powerful insights that they can use to drive growth and greater performance."

Cabrera founded Xactly with Satish Palvai, who he had worked with at Callidus. It was a desire to move away from the high end of the market and $5 million tech installations that led to the call to go down the SaaS route. The company began in March of 2005 and once a number of initial clients came on board it brought Xactly a Series A round of $4 million, timed perfectly with VCs heightened interest in all things SaaS.

A total of $72.5 million was raised through funding rounds and has been used for scaling and a salesforce that could go and deliver the product developed by the engineers. The focus is now on the IPO market. Initially there was a struggle to get large companies, but Xactly now boasts the likes of American Express and Salesforce among its clients.

Competition comes in the form of Excel and Access databases as well as IBM who bought a company that was in Xactly's space. In terms of customer feedback, the news is also positive.

Rodahl Leong-Lyons, Vice President, Sales – The Americas for Hyatt, says the company uses Xactly Premium Support.

"The individuals we have supporting us are highly engaged and respond immediately," he says. "We feel like Premium Support is the smartest thing we have ever done."

And Robert Tafeen, accounting supervisor, CommVault, states says Xactly Incent "has transformed the way we do business."

"We've gained agility, accuracy, and a global view of sales compensation," he adds.

Currently the company touches around 120,000 sales people and when you consider there are roughly 10 million sales people in the U.S. alone, the market opportunity is significant to say the least. RH

XCOR Aerospace

www.xcor.com

Jeff Greason

Hardware

California

N/A

» The human race has forever looked up and dreamt of being amongst the stars in space. Until now, only a small select group of astronauts has achieved this goal. But now the commercial space race has begun, and the average person is a lot closer to fulfilling the dream of looking down at the world from above.

XCOR Aerospace has two major business offerings. The first involves developing rocket engines for corporate clients in the aerospace industry. The second is to offer people flights in its Lynx spacecraft, which travels 100km into sub-orbital space, then lands on the same runway it took off from. The flights have not yet begun, and the next round of test flights will be taking off at the start of 2015, but that has not put off more than 300 customers already signing up. At this stage the flights are expensive for the average consumer however.

"I think that the classic self-made entrepreneur adventurer is the stereotype that seems to prevail mostly," says Andrew Nelson, President of XCOR, when asked about the typical customer. "But we truly get customers from all walks of life, people who have saved their money who are not extremely wealthy. Then we have big corporations like Heineken and Unilever and others who have stepped up and want to do major global promotions around these space flights."

Nelson's career has taken him from NASA to Wall Street and now back to space flights again. He will be part of the test flights next year, fulfilling a lifelong dream of his to get to space. He joined the company at the start of 2008, but then had to help steer it through the financial crisis which hit later that year. After going through "a typical startup experience", the company emerged the other side much the stronger for it.

This year the company secured a $14.2 million Series B investment led by Dutch investors Space Expedition Corporation (SXC). XCOR also plans a smaller, second closing in the near future. "With this investment in XCOR, we're closing ranks with our most strategic partner. We will take the next step together toward our first commercial spaceflight. I'm proud to become a part of this fantastically dedicated team of 'future makers' and game changers," said Michiel Mol of SCX, who joined the XCOR board of directors.

XCOR's main competitor in the personal space flight business is Virgin Galactic, but Nelson believes the ultimate victor of the sector will be the one capable of the lowest price. "Early on there are a lot of people willing to pay more than $100,000 for the sub-orbital flight, the training and everything. But eventually prices will start to come down a bit and the company that can truly compete at a much lower price is going to be the victor in the long run, is going to be the dominant design. And we think we have that pretty well figured out," he says.

XCOR's flight experience is not for the faint hearted. The space craft carries only two people – the customer and the pilot, and both wear spacesuits. Training and health tests are also undertaken prior to anyone making the trip. Once the program is operational the company aims to run four flights per day.

As if sub-orbital space flights were not exciting enough, the company is also developing new technology. One is a model of the Lynx spacecraft which will be capable of holding a small satellite launcher on its back. The team is also working on a spacecraft capable of going fully into orbit and returning. "It will have a similar concept of operation as the Lynx, but instead of just going sub-orbital, it will go all the way to orbit and then come back. Right now there is not a reusable orbital system out there, although people are designing them and trying to work on them. For us it's a 10-12 year proposition, but it's on the drawing board," says Nelson. RH


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Yashi

www.yashi.com

Jay Gould

Entertainment & Media

New Jersey

No

» Where you work, live and play, decides what you consume. This is an old advertising truism that has come into its own in the Internet age. Gone are the days of gross marketing when primetime television advertisements would target whole families, whole neighborhoods, indeed whole regions, across age, sex and demographics with the same ads, hoping that the right consumer would be picked out of the captive audience watching the television.

In the Internet age, everyone consumer is differentiated; each exercising their choice to belong to a particular niche, consuming content particular to them across different devices at times and locations of their own choosing.

Yashi is a location-based video advertisement technology company. Its mission is to solve the above problem with the precise targeting of ads and measuring the real time effectiveness of marketing campaigns.

"We are into location-focused advertising. What this means is that we use latitude-longitude of a user, predefined maps and reverse IP lookup to help video marketers precisely target audiences — from specific neighborhoods to specific zip codes based on relevance such as distance, demographics and consumer behavior," says Jay Gould, Co-Founder of Yashi.

Yashi would make sure for instance that Bentley's YouTube ads play in the wealthier neighborhoods with the high net worth individuals more likely to buy a Bentley, or that a Retrofitness advert targets consumers living within three miles of its location, instead of twenty.

Businesses use Yashi to target geographic locations down to latitude and longitude and find geographic pockets where their ads are being watched, and optimize accordingly. The company has developed a proprietary demand-side platform that analyzes 40 billion video ad opportunities in real-time, and delivers hundreds of millions of video ads every month. Businesses have consequently repurposed the gross delivery of advertisements through cable television to online video in order to precisely target and more effectively reach their customers.

Yashi does not just deliver ads more precisely, but also gives its customers a real time picture of marketing campaigns - what is working where, with whom and when.

Yashi was co-founded in 2007 by Jay Gould and his wife Caitlin. Gould had founded one of the Internet's first video sharing websites which went on to be acquired by Bolt Media. He then joined Bolt and became its President, helping it to grow to over 20 million monthly visitors before leaving to co-found Yashi. The company has raised over $7 million in four rounds of funding. $4 million of this has come through debt financing and over $3 million in equity. Yashi counts among its investors the Silicon Valley Bank and the PNC bank.

"We are not actively seeking investors but we are always open to talking." The company's revenue stands at $ 20 million with a compound annual growth rate (CAGR) historically of 70%. "We are profitable and will always remain so," Gould says.

Gould puts the digital video market at $6 billion which is expected to grow to about $33 billion by 2020. Of this, the location-focused market that Yashi specializes in, is at $1.6 billion today and likely to grow to about $6 billion by 2018. Location-focused ad budgets will only be increasing from here according to Gould. "Differentiation is a big issue for players in this market. Yashi has solved that."

Yashi competes with the likes of Videology and Tubemogul - both companies with their own demand side platforms. But no one has location as a focus like Yashi. Scale and speed are critical to the business and a benchmarked technology to ensure that.

Thomas Morris, Senior Vice President, SP Advertising/Digonary, works with Yashi. "Like many agencies, we invested in standard Pre-roll options, but didn't receive the level of targeted traffic we were looking for. Working with Yashi's innovative location focused video advertising platform has helped us to enhance our marketing strategy while increasing our client's ROI."

Lou Kerner, a Yashi Investor also endorses the company, "After having purchased a company from Jay in 2005, and worked closely with him post that acquisition, I was excited about the potential of investing in Yashi and getting to work with Jay again. When I first looked at the Yashi investment opportunity in 2012, I was impressed with the traction the company had achieved. I was confident that with additional capital, Jay would be able to accelerate the growth of the company, and that's exactly what has happened."

Metrics to measure audience engagement, reach and the effectiveness of marketing dollars is what will make opportunity meet reality in the online ad space. With the rise of contextual marketing, the need for such measurement and analysis will not only concomitantly increase, but will make the trend possible. Yashi, because of what it does, is remarkably well positioned to make the most of the opportunity that is to come.

Zeta Interactive

www.zetainteractive.com

David Steinberg

Marketing/Advertising/SOE

New York

Yes

» The timelines of startups are often littered with turns, twists and pivots. A lot of companies may start out in one sector, and end up in another. But the ones which really succeed are those that keep an overlying vision throughout the evolving process.

Zeta Interactive is one such company. "We formed it with more of a vision and less of a 'here's exactly what we want to do strategically'. We started out focusing on the education space, where we would help large education companies attract students and then keep them longer. And over the years we pivoted it from what was originally an education marketing company into a big data customer lifecycle marketing company today," explains Zeta's co-founder and CEO David A. Steinberg.

Steinberg founded Zeta, then called XL Marketing before a rebranding this year, along with John Sculley, the former Apple and PepsiCo CEO. Zeta's big data-driven marketing has attracted a number of high profile clients and now has offices around the globe. "We use very large amounts of data and our clients CRM data put together with our database, and a lot of behavioral and demographic and psychographic data we have, to manage customer acquisition and CRM campaigns on their behalf," says Steinberg.

But the company originally started out in the education sector, and now 80% of revenue comes from outside of that industry. The decision to move away from that focus was due to the advances in big data, and because the education sector has gone through so many regulatory reforms, according to Steinberg.

Zeta is now well placed to profit from the constantly shifting dynamics of marketing from offline to online. Steinberg estimates that only approximately 28% of marketing spending today is online, but ten years from now that will have increased to 70%. "As that transition happens I think you're going to see companies like ours, and there are a number of players in this digital marketing and analytics space, are growing very rapidly. Our business is already up 100% for the first half of this year over the first half of last year."

A recent report from Gartner revealed that digital marketing budgets are set to rise 10% during this year. "Marketing leaders are securing bigger budgets to define markets, develop offerings, and attract, acquire and retain customers," said Yvonne Genovese, managing vice president at Gartner.

Zeta Interactive is strongest over six sectors: financial services, insurance, health and wellness, high end travel, communications and education. The company is so confident of its performance in these verticals; potential customers are told if Zeta cannot cut the cost of creating a customer by 25% on a $50,000 test, they will have their money completely refunded.

One of the recipes of the company's success is its access to data. "We manage data for hundreds of different companies, including some of the largest publishers in the world and very large digital sites where we partner with them on data management," says Steinberg. "We have also acquired a number of companies that have large rich data pools and have combined that into a database of over 350 million active people with over 370 cells of data per person, but in all cases everybody has opted in to be in that data group."

Zeta is already growing fast, and its success can only increase as the marketing pendulum swings further towards digital. RH

NORTH AMERICA STATS

TOP 100

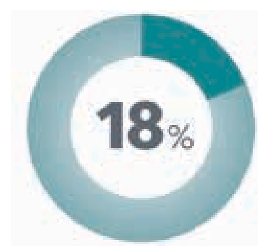
REVENUE

SECTOR

1/5
Of all winners are Software

Sector	# Companies
Big Data/Storage	6
Clean Tech	7
Cloud Computing	11
Entertainment & Media	2
Hardware	3
Internet/Online	9
Life Sciences/Biotech	7
Marketing/Advertising/SOE	6
Medical Devices	2
Mobile	9
Other	6
Security	11
Social Media	1
Software	20
Telecommunications	4
Virtualization	2

THE CEOs



are CEO and Founders of their companies

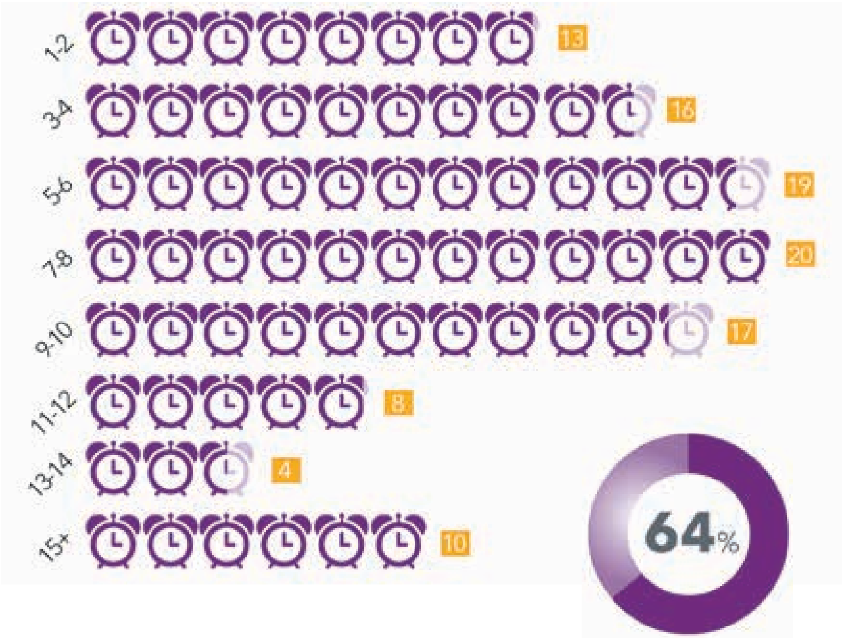
FUNDING

Average Funding **$35M** For winners

Median Funding **$21M** For winners

# of Rounds	# of Companies	Avg. Total Funding
0	10	$0
1	23	$13.6M
2	20	$21.5M
3	32	$41.5M
4	8	$55.7M
5	9	$86.7M
6	3	$73.3M
7	2	$107.1M

COMPANY AGE

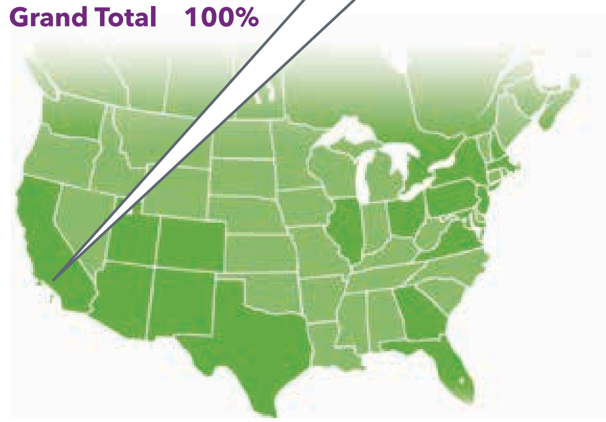


Of the companies are less than 9 years old

STATE DISTRIBUTION

AZ	2
CA	48
Canada	3
CO	7
FL	4
GA	2
IL	3
MA	3
MD	2
NC	1
NH	1
NJ	5
NM	1
NY	6
OH	1
PA	4
TX	5
UT	4
VA	1
WA	4
Grand Total	**100%**

Nearly **50%** Companies are based in California



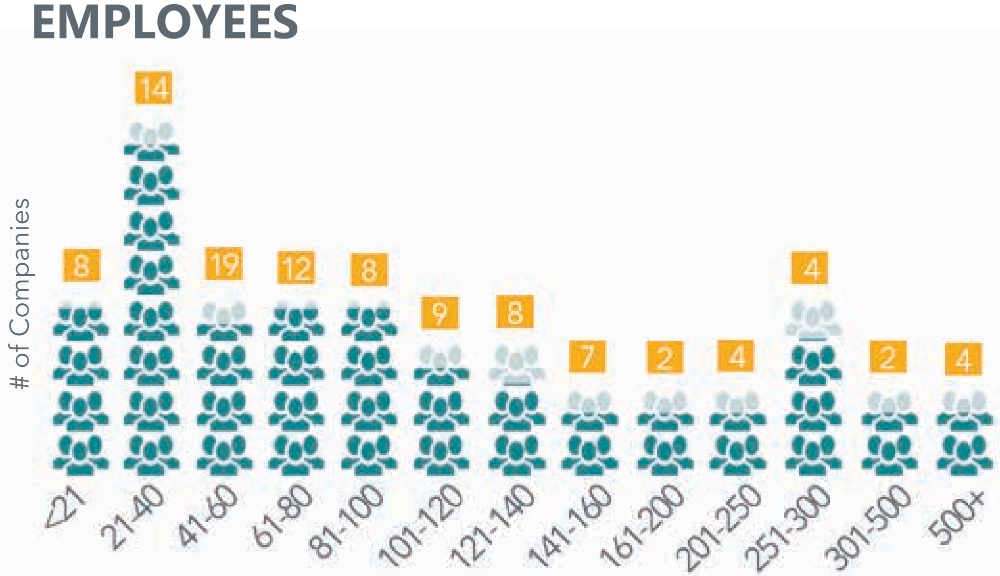
PATENTS

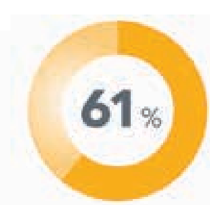
30% Have no patents

4 Companies have 51% of patents

1497 Patents

EMPLOYEES





Of companies have less than 100 employees

134 Average number of employees

76 Median

Leipzig is a mix of architectural styles

LEIPZIG, GERMANY'S BOOMTOWN

SEES DIGITAL STARTUP SECTOR BLOSSOM

Leipzig is Germany's boomtown. The population is up by 12,000 a year, big industry is returning en masse and an exciting creative scene has granted it, in some quarters, the moniker of 'The New Berlin'. Others, reeling, prefer to call it 'Hypezig'.

But beneath the shabby-chic cafes, rebuilt city center and factories-cum-art-galleries, Leipzig is building itself as an entrepreneurial hotbed. A generation of digital startups have sprouted among the art crowds, and calls are growing for the city's authorities to pump more cash into an already-promising scene.

Michal Jirasek, a Slovakian who set up shop in the city ten years ago, runs FounderScope, an incubator for local tech firms. He's ebullient about Leipzig's prospects, as low rents and an increasing cool draw more from Germany's bigger cities; mainly from the west. His own office, a sprawling, exposed-brick loft in a disused cotton factory, would cost millions in Manhattan. In Leipzig it sets him and his crew back €400 ($500) a month, all-in.

Jirasek points to the breakthrough successes of local SMEs like e-commerce company TowerByte Leipzig, and text miners TextTech, as proof the city is pulling itself from a past wedged between Allied bombs and socialist poverty. City Hall agrees: Mayor Burkhard Jung, credited with bringing boom times back to Leipzig, stresses the importance of innovation: "The most important thing is to get the companies, entrepreneurs, to strengthen startups, the jobs."

But infrastructure is still evolving in Leipzig. Transport and web networks often founder, 25 years on from the fall of the Berlin Wall. When Jirasek hosted a recent Startup Weekend he had to move sites because the Internet failed. Another recent hackathon attracted just €400

($500) of investment from the local authorities. “It’s not a lot,” he says. “But for us it was still important.”

One area Jirasek is excited about is education. Leipzig University, which was founded in 1409 and was where Goethe, Tyco Brahe and current German chancellor Angela Merkel once studied, has seen a modern renaissance: 47,000 students are now enrolled from 12,000 in 1989, when Leipzig was still a part of the German Democratic Republic (DDR).

At the heart of the university’s progress are its biotechnology courses, which have spawned a number of exciting startups. Last month ImaginAb, a leading-edge antibody imaging firm, signed a deal with Leipzig’s Novotectid to research imaging together in Germany and California.

Leipzig University rector Beata Schücking sees biotech as the core in its development over the next few years. “As a member of German U15 - the large research universities - we want to become European top-level university,” she says. “Therefore we have built up strategic alliances with partner universities.

“A first success of these efforts was to establish the German Centre for Integrative Biodiversity at Leipzig, a research centre funded by the German Research Foundation with three universities involved,” adds Schücking. Leipzig University’s efforts have been matched by HTWK - Leipzig University of Applied Sciences - which since German reunification has risen to become one of the country’s largest and best-such institutions.

“It really is the best of its kind for a long way,” says Jirasek, beside the table football set at his office. “Let’s hope we can stop everyone going to Berlin.” Leipzig may have one of the world’s startup capitals just a two-hour drive northwest. But the former industrial city is proving to be a worthy neighbour in the digital field - and looks set to continue that way.


Photo Credit: MatthiasX1 www.flickr.com/photos/matze-ex1


Photo Credit: Lutz536 www.flickr.com/photos/lutz536

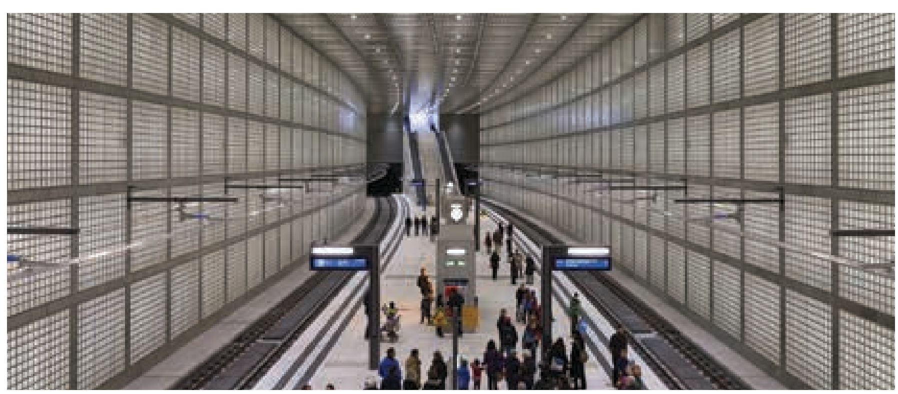


Photo Credit: Maxunteregs www.flickr.com/photos/maxunterwegs

Top: Leipzig Skyline

Middle: Johanna Park bridge looking towards Leipzig’s new City Hall tower (right) and Leipzig University high-rise tower (left).

Bottom: Wilhelm-Leuschner-Platz is a new railway station in the city of Leipzig, Germany built as part of the Leipzig City Tunnel project and opened in December 2013

Alibaba's road to tech's biggest ever IPO

The new Alibaba Headquarters is a benchmark for the modern workplace in China, comprising 150,000 square metres of flexible open plan office space within a campus style layout.

PHOTO COURTESY OF WWW.HASSELLSTUDIO.COM

Institutional investors piled into the Alibaba roadshow as if the company was handing out free money, and the long awaited IPO was launched earlier this year, to great fanfare. But the story of Alibaba stretches back well beyond the trading floor of the New York Stock Exchange.

Alibaba Group was founded in 1998 by a former English language teacher, Jack Ma, and grew out of his Hangzhou apartment. The eccentric, diminutive entrepreneur watched America's love affair with the internet, and wanted to piggyback China's export frenzy across the globe, knowing the idea would get the full support of the Chinese government. From the beginning the idea was that Alibaba, whose name comes from the "Arabian Nights" tale, would "open sesame" for China's small and medium sized companies. Today, its role in transforming and empowering China's middle class is akin to the effect Wal-Mart has had on rural America.

There were several initial iterations, including an online Yellow Pages-type service, and other blatant copycats of U.S. based internet startups, before the company initially settled on becoming a business to business platform for China's exporters. In 2003, Alibaba unveiled Taobao, a consumer-to-consumer platform, setting its sights on eBay, which had made its intentions to enter the Chinese market public. For the first three years of its operation, Taobao did not charge transaction fees. It was a decision that allowed the company to fend off eBay and earned Ma business visionary status.

But the most critical competitive advantage came out of Ma's ability to strike a deal with English speaking shareholders while his counterparts remained intrinsically domestic. As early as 2000, Masayoshi Son, the maverick Japanese entrepreneur and CEO of Softbank met with Alibaba founders and together with Yahoo in California, invested in the Chinese website. The deal was inked by Tim Koogle, Yahoo's CEO at the time but the company's representative was Jerry Yang, the Chinese American founder. Together with Son on the board, they provided Alibaba the validation and the operational support that enabled Jack Ma to leap forward ahead of its peers. Had Ma not worked with these two international counterparts, the story could have turned out differently, according to most observers.

Alibaba's hold on Chinese e-commerce

Today analysts typically agree that Alibaba controls around 80% of the Chinese e-commerce market, which McKinsey predicts will grow to $395 billion by the end of 2015. While Alibaba abides by a one segment revenue reporting structure, three sites, in addition to Alibaba.com, Taobao, Tmall.com, and Juhuasan, drive Alibaba's $8.5 billion in annual revenue.

Approximately seven million users list over 800 million products for sale on Taobao on any given day. The service is free to use, but with so many listings, (including 7000 results for a "cosmetics" search), many of these web entrepreneurs pay Alibaba to boost the visibility of their items.

Where Alibaba.com is B2B, and Taobao is C2C, Tmall.com is the Alibaba Group's businesS to consumer offering. Tmall is geared towards the middle class, particularly in China's growing metropolises, where consumers spend 27% of their disposable income on online shopping, as opposed to 18% in the more established cities of Beijing and Shanghai, according to data from McKinsey. Unlike Taobao, Tmall charges each seller a deposit, an annual fee, and a commission fee for each listed item.

Juhuasuan is a daily deals site, best compared to Groupon in the U.S. It expanded into Taiwan and Hong Kong in 2013, at a time when the service was controlling an estimated 90% of the Chinese daily deals market. Alipay, a secure payments processing service, is used to facilitate purchases on all of Alibaba's platforms, but was separated from the parent company in 2011. Alibaba also holds significant equity stakes in Sina Weibo, often described as Chinese Twitter, and Youko Tudou, a service similar to YouTube but again geared towards the Chinese market.

While Alibaba competes on a global scale with American companies like eBay and Amazon, it really faces its primary competition from companies in its native China. Two of these competitors, JD.com and Baidu, are traded publicly on the Nasdaq. Alibaba's nemesis and fiercest challenger is Tencent, a social media giant listed on the Hong Kong Stock Exchange with a market capitalization of $147 billion. It has four flagship products; WeChat, QQ, QZone, and Tencent Weibo, which when combined boast over 1 billion unique users. While Alibaba has reached out to Western allies such as Yahoo and Softbank, Tencent has largely remained more China-centric. The company reported revenues of $9.91 billion in 2013, the vast majority of which came from Asia.

Alibaba pursues growth strategy

In the lead-up to the IPO, Alibaba has pursued an aggressive growth strategy by leaning heavily on M&A. The company has spent $4.6 billion so far this year to acquire everything from a film production studio to a professional soccer team. Investments in American companies such as Lyft and Tango, meanwhile, are cited as evidence that Alibaba is intent on expanding its footprint in the United States. The investment that should pay off the most, at least in the short-term, is the acquisition of UCWeb. UCWeb is a search engine and web browser especially popular on mobile and in India as well as China.

Alibaba will likely allocate around $8 billion of the IPO proceeds towards operational improvements. The current trend of growing through acquisitions should continue post-IPO. In fact, on page 133 of the investor prospectus, Alibaba indicated that the company intends to use at least some of the cash it raises to pursue additional acquisitions. The ephemeral messaging service Snapchat, set-top streaming provider Roku, independent movie production house Lionsgate, and enterprise software solutions like Intuit, Akamai, and Red Hat are all rumored to be on the shopping list.

> Today analysts typically agree that Alibaba controls around 80% of the Chinese e-commerce market.

Alibaba was expected to sell 320.1 million shares in the $66-68 per share price range, a figure which was bumped up from the initial $60-66 interval due to high institutional investor demand. In fact, the company likely could have commanded even more. For example, Twitter ultimately priced its shares 30% above its original price range, while Facebook stock increased the number of shares it would sell but still sold them for nine percent more than the initial highest value. Instead, Alibaba has apparently pursued a more conservative approach, wary of replicating Facebook's infamous first-day stock incidents on Nasdaq.

Still, the IPO will be record-breaking. The company raised $25 billion after the underwriters (Credit Suisse, Deutsche Bank, Goldman Sachs, JP Morgan Chase, Morgan Stanley, and Citigroup) increased the number of shares offered the day after the launch. The resultant market capitalization beyond $160 billion makes Alibaba the third most valuable Internet company in the world, behind only Google at $393 billion and Facebook at $198 billion.

Ma is no longer the CEO, but he maintains an 8.9% pre-IPO equity stake in the company. Other stakeholders include Joseph Tsai, Ma's co-founder and Alibaba's vice-chairman (3.6%), China's sovereign wealth fund, China Investment Corp. (2.8%), the private equity firm Silver Lake (2.5%), Japanese telecommunications and internet giant Softbank (34%), and Yahoo (23%), which originally purchased a 40% stake in 2005 for $1 billion. Softbank, for its part, will not be relinquishing any equity through the offering, but Yahoo diluted its shares down to 16%. In addition five of the six investment banks handling the IPO, Citigroup, Deutsche Bank, JP Morgan Chase, and Morgan Stanley, extended a $3 billion loan to Alibaba in late August with the hope of reaping benefits from the company unrelated to underwriting fees.

Alibaba's public market investors might not be as lucky as those who cashed out. The company is unlikely to pay dividends, while Ma has gone on record to say that the company will continue to treat "customers first, employees second, and shareholders third" even after going public. But using Facebook, a comparable stock, as a reference, there could still be money to be made. The Mountain View-based company's shares listed initially at $38 in May 2012, bottomed out at $18.06 in August that year, but has recovered to reach more than $76 since.

As always, with the hype comes risk. In the case of Alibaba, most of the risk revolves around both corporate and political governance and less the fundamentals of the business.

Last September, talks between Alibaba and the Hong Kong Stock Exchange authorities broke down because of disagreements over the degree to which Alibaba insiders will have control of the new board of directors. Under the current arrangement, a pre-established Alibaba Partnership will have exclusive control over the majority of the seats on the board. This raises questions over the extent to which the interests of shareholders without prior affiliations to the Alibaba Group will be represented, especially because the Alibaba Partnership will represent only a fractional equity stake in the overall company.

Complicating matters further is the fact that Chinese stocks have historically been weak performers. There are several reasons why, but in many cases the issue can be tied back to governance. In the latest wave of Chinese tech IPOs, a series of accounting scandals tainted Western perceptions. One theory says that companies that are able to pass through the bureaucratic hoops necessary for being listed on foreign exchanges are able to do so because of their strong ties to government and the Communist Party. These ties, under other circumstances, could also protect the company from fraud investigations. Meanwhile, the Chinese government prevents the SEC from reviewing audits performed on Chinese companies by Chinese auditors.

Chinese law complicates IPO

There is also the issue of the Variable Interest Entity (VIE). Any Chinese company wishing to raise money from foreign investors must technically operate as two separate entities in order to comply with the Chinese law that requires all corporations to be fully owned by Chinese citizens. The main corporation is registered in China and has claim to the number of licenses and permits essential to doing business in the country.

This is then supplemented by a VIE, a legal concept developed to work around this law. The VIE is a foreign-held corporation that can raise investment from outside of China and hold most of the company's assets. While a legal technicality for most intents and purposes, the VIE does pose risk to shareholders who don't happen to be Chinese. Under the two-entity structure, the owners of the VIE are contractually bound to funnel money to the offshore corporation. If the VIE ever attempted to sever its ties to its China-based corporation, it isn't entirely clear what the claims of shareholders in the foreign corporation to the outstanding assets are. The issue came up in 2011, when Ma and other Alibaba executives decided to divest Alipay from the Alibaba Group, without informing Yahoo or its other major shareholders.

Some players in this multi billion dollar game couldn't lose. Yahoo was one, as were Softbank and Masayoshi Son. The New York Stock Exchange also emerged victorious, having attracted the world's largest IPO, and tech's hottest property. China celebrated not only having one of the three largest companies in technology, but also the record for the biggest IPO ever, and Alibaba finally said open sesame to the U.S. market. RH

Alibaba Group was founded in 1998 by Jack Ma, an eccentric entrepreneur who watched America's love affair with the internet, and wanted to piggyback on China's export frenzy across the globe. He knew the idea would get the full support of the Chinese government.


EXPLORERS WANTED.™
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SoftAtHome

3 independent software solutions, powered by SOP, **to deliver outstanding services**

The connected home will become an integral part of the Internet of Things. As technology becomes more and more advanced, individuals expect fluid access to the web, wherever they are. Companies capable of establishing connectivity face an enormous global opportunity, gauged at more than $100 billion.

Nanterre, France-based SoftAtHome works to simplify the convergence of TV, mobile, and home for a connected future. The company offers telecom operators a way to connect people to their devices and homes through high-quality software in set-top boxes and gateways.

SoftAtHome's Software Operating Platform, unites connectivity, pay TV, and digital home services in one product. The company's customers incorporate SOP into set-top boxes and gateways that facilitate access to the Internet. With SOP, end users of telco services may enjoy some of the perks of a connected home, like transferring a film for the family from a tablet to TV. SoftAtHome may also be leveraged to let individuals enable their home security system from the office or turn channels with their iPhones. In the digital age, the company works hard to provide consumers a seamless digital experience.

Rather than sell to manufacturers, SoftAtHome caters to telco and box operators like Swisscom and Orange Group, and approaches a subset of the total addressable market for Internet of Things. The company aims to capture 20 percent of the international software space, or do $160 million of business in an $800 million market. SoftAtHome CEO Michel Degland reports the company's flagship SOP product has been licensed 17 million times in 14 different countries.

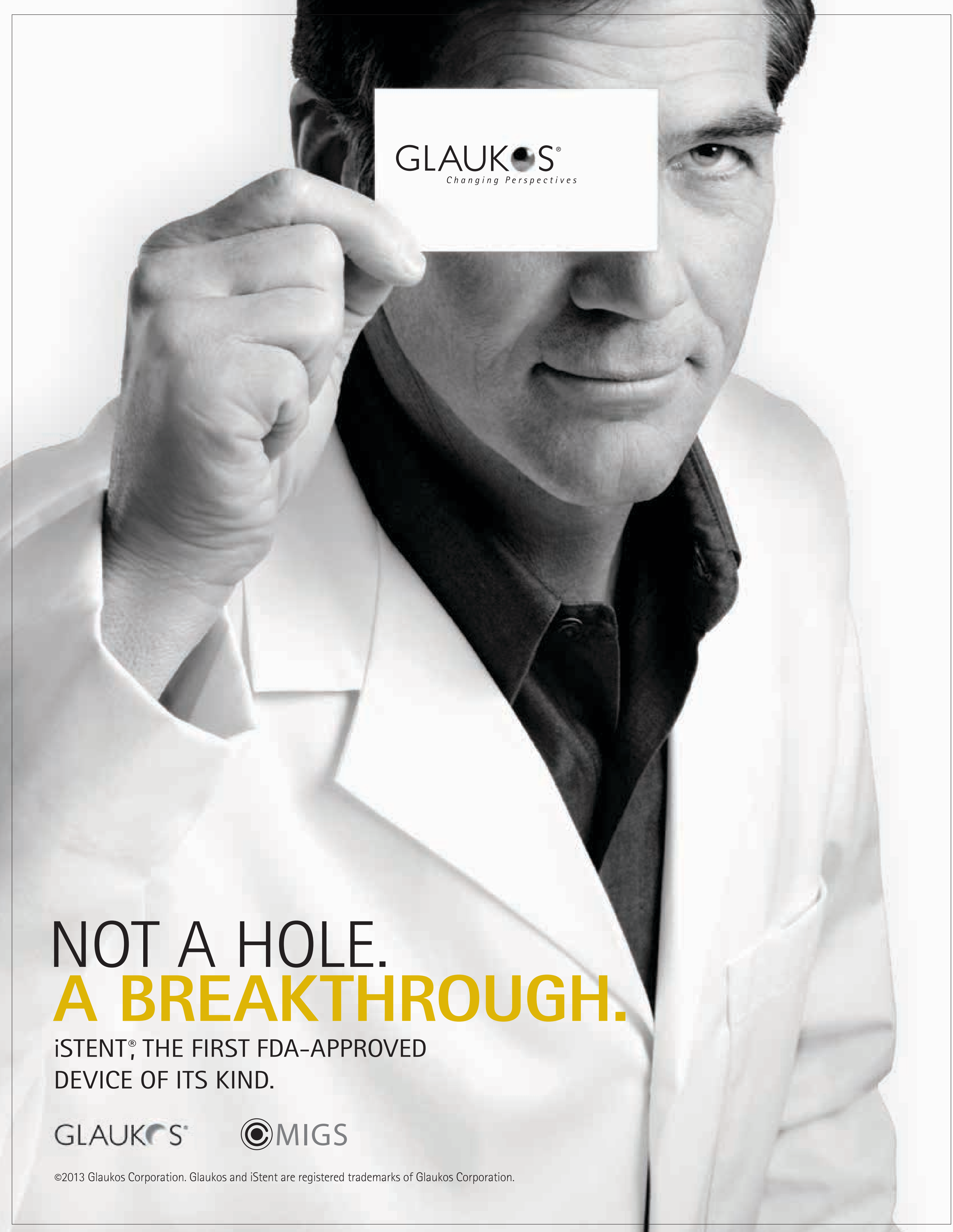
SoftAtHome was founded five years ago and is built on a software license model. The company has been profitable for "several" years, according to its CEO. Degland rates his company as among the top three pure software players in the industry. SoftAtHome did approximately $30 million in revenue for 2013 and looks to grow by 30-40 percent in years to come.

The company's software solutions appeal to telcos and operators because they are open in nature, meaning SoftAtHome releases its product's source code to pay TV customers. "That's really an innovative way to do business compared to traditional players who prefer to get control on their side," Degland says. Additionally, SoftAtHome sells software separated from hardware, so customers may integrate the company's system into varied IT products. Consumers also recognize SoftAtHome for the quality of its product. Andreas Martschitsch, head of digital home services at Swisscom, notes that when software functions well, companies avoid angry customers and the costs associate with them. Problems with the Swisscom gateway prompt customers to call a company hotline; these calls usually last 20 minutes and cost the company roughly $30. So the fewer issues, the better, Martschitsch says.

Soon, SoftAtHome will have to delve further into cutting-edge markets and triple-play-plus services. The company will head beyond Internet, TV, and voice convergence, towards offerings like Ultra HD television and connected home. Additionally, the software innovator continues transitioning its business focus from fixed-line to mobile. For these reasons, SoftAtHome will continue to invest in its research and development department, which receives €6 million annually. Technology and intellectual property also play an important role as SoftAtHome has about 50 patents and files between five and six patents yearly. The company must also adapt its partnership models as it grows, expanding from Europe and the Middle East across Latin America and Asia. With 150 people, 80 percent of whom are engineers, SoftAtHome must acquire more customers and scale up and out.

"For them, the challenge will be to maintain the same partnership model [and] develop more customers," Martschitsch says.

Martschitsch says SoftAtHome treats Swisscom well, and offers services rare in its industry. Degland says SoftAtHome has a jump on competition in the realm of 4D (Ultra HD) and with regards to its open technological model. The company's SOP enables customers to hit the market faster. To grow, SoftAtHome must enlarge its user base -- a task that may not prove too daunting considering the latent potential of Internet of Things. As a software provider selling a rare solution to a common problem, SoftAtHome could harness the power of an exploding industry for success.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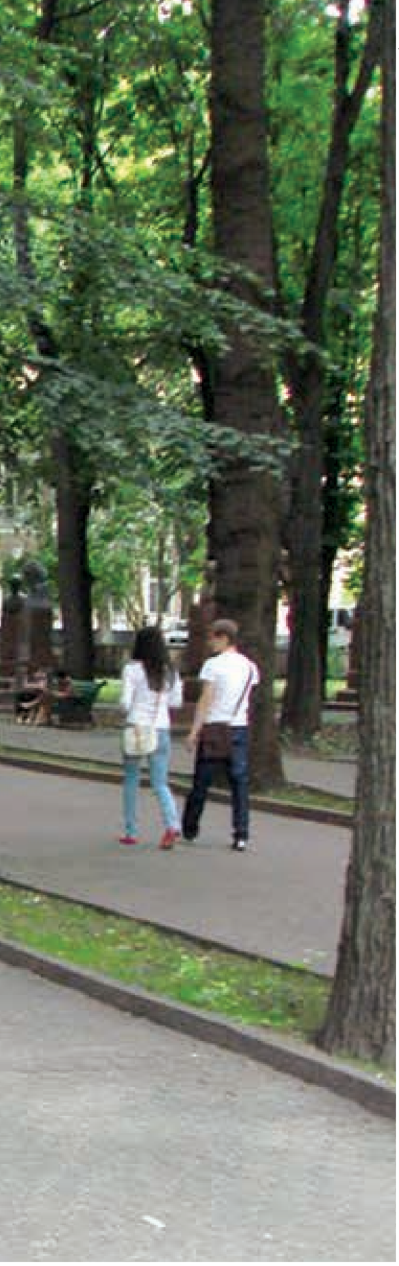
Revolutionary E-Governance

Helps Moldova beat corruption

Moldova, a tiny state bordering Ukraine, is crippled by corruption and emigration. But inside Moldova, revolutionary forms of e-governance are helping its government push for economic stability and strength, which may just turn its fortunes around.

Moldova is one of Europe's poorest nations. Its average salary hovers around $300 per month, and it has a net migration rate of -9.92, which puts it 210th of 222 recorded territories on Earth according to the CIA World Factbook. Almost 55% of Moldova's people still live in the countryside, a hangover from its days as the Soviet Union's main exporter of fruits and vegetables.

Nicu Calcea is a Chisinau-born philosophy student and local journalist. He takes a deep pull on his bootleg Marlboro cigarette (most Moldovan brand cigarettes are fakes) and stares into a pint of the local brew. "I'm the only one of my family left," he says. "The rest are in France. I don't want to go there, but," he pauses, "I can't stay here. There's nothing."



He's not alone. Experts believe that a quarter of the working-age population has fled to destinations like Russia, Turkey and the E.U. Over three-quarters of them are aged between 18 and 30, many of whom are educated but undervalued.

However mobile penetration in Moldova is high at 127%, and the rate of mobile Internet is creeping past 30%. Over half of all Moldovans have access to the web, and it is one of the top 20 countries worldwide in terms of Internet speed.

Nowhere are these numbers clearer than in Chisinau's Stefan cel Mare Park, a tree-lined idyll named after the 15th century king who thwarted repeated Ottoman invasions. In the park old men play chess, families eat popcorn and teenagers breakdance upon makeshift cardboard stages. Most youngsters, however, are glued to their handsets, making use of the free WiFi common to many other public spaces in town. Orange, the service provider which dominates the market, offers similar deals across the country - including the breakaway region of Gagauzia. Moldova is poor, but it's connected.

Chisinau has realized the potential in this mobile saturation, and has made the use of mobile digital signatures (MDSs) one of the foundations of its 2020 strategy. An MDS allows users to authenticate themselves online by receiving a confirmation message to be validated with a PIN code.

Many businesses use MDS, but public services such as e-licensing have also begun to employ it. Citizens can now even file taxes using MDS. By 2016, at least one-quarter of citizens are expected to access public services online or through mobile devices, thanks to GeT-supported programs.

Moldova's breakthrough Governance e-Transformation (GeT) project hopes to "modernize and improve public sector governance in Moldova, give citizens access to government documents and data for effective public use, improve the investment climate, and increase global competitiveness," according to a World Bank statement. GeT's colorful website is modern and easy to use. It's part of a pledge by the government to have all public services digitized and put online by 2020.

That drive was helped in August by a pledge of $30 million by the World Bank, which country manager Abdoulaye Seck claims will help push Moldova's private sector, and its GDP. "Our support is fully aligned with the country's national development priorities and aims to address key reforms that can contribute to spurring private-sector led growth, whilst making public investments work better and more equitably to reduce poverty and boost shared prosperity for all Moldovan citizens."

Speaking at the Presidential Palace in Chisinau, a chasmic former Soviet bureau, Moldovan Prime Minister Iurie Leanca admits that there is still a long way before Moldova can move away from its troubling trends of corruption and emigration. But the centre-right leader, who faces elections in November, claims that e-governance is a vital pillar in Moldova's development.

"Today over 80 services out of over 500 services we offer to our citizens and companies are from e-governance," he tells Red Herring. "The instances of corruption have diminished, the time accruing in front of the bureaucracy has diminished. But today we have a mixture of positive developments, with a good impact on our economic development. But there are still existing areas where we need to improve dramatically. Then we will be able to make our economic growth more sustainable.

Moldova is a small country, and a small size," adds Leanca. "Maybe we have too many formidable challenges. But I do believe that Moldova can become a success story. And if you look beyond the Baltic states there are not many success stories in the former Soviet space. It will be the result of good investment of our own efforts, but also the result of good investments from the U.S., from Washington. If it works we want to spread the same values east, to Ukraine and other countries who want to embrace these values."

Far Left: The light shaded area is the tiny state of Moldova that borders Ukraine and Romania.

Left: Village in Carpathian Mountains in Moldova. Photo courtesy of www.gazprom.com

Inside an Acquisition:

MOVEA CEO SAM GUILAUMÉ

PHOTO COURTESY OF WWW.LEDAUPHINE.COM

In the eyes of an investor, a successful startup's story ends in only two ways; either an IPO or acquisition. Entrepreneurs may claim to be focused on building their companies, but the majority will keep one eye on a prosperous exit. Movea a sensor data analytics company, was acquired in June this year by InvenSense. CEO and Co-Founder Sam Guilaumé takes *Red Herring* through the acquisition from his viewpoint.

"As you bring investors in you know that you will need to provide an exit, it's just the rules of the game. Unless you're stupid you can't ignore it. And there are not too many exit opportunities," says Guilaumé.

His company Movea emerged out of the French research lab CEA, with the aim of driving intellectual property that the institute's research had produced. The company turns sensor outputs into personalized information, and provides data fusion processing software that can enable low power location and activity tracking. The company's products are used in consumer mobile (smartphones and tablets), TV interaction and wearable sports and fitness applications.

Movea first looked into the possibility of a sale around two years prior to the final deal being made. Following this, Guilaumé made a crucial decision which would vastly increase the chances of an acquisition occurring. The CEO made a list of potential acquirers, and upon realizing the majority of companies on the list were based in the U.S., decided to move there. At this point the decision to sell had still not been made. "It wasn't clear what we would do at that point. But what was clear in my head was to relocate in the Bay area, and socialize with investors, with potential acquirers, and get a feeling for what was going on. Then we got our first offer, in October/November, which was a bit unexpected, but it was a first time we knew there was an appetite for acquisition," explains Guilaumé.

"It's an incredible ride as CEO and founder."

After the initial offer, the Movea board started to look more seriously at the prospect of selling the business and in January brought in a bank to advise on potential acquisition prospects. During January and February the company met a number of companies interesting in acquiring Movea, including several on Guilaumé's original list of potential buyers.

At the end of March Guilaumé pitched to more than 30 companies, and from that 20 expressed an interest. "We had plenty of offers, so we had to make a decision pretty quickly, and the whole process went extremely fast," says Guilaumé.

The list was narrowed down to between 8-10 companies, and then two standouts, of which InvenSense was one, and the deal was completed in June.

European tech companies have seen reasonably healthy exit rates over the past three quarters. In both Q1 and Q2 of 2014, the number tech exits stood at 152 in Europe, according to data from CB Insights. That figure rose to 175 exits in Q3, yet only 22 of those exits were venture backed. The slow supply of VC funding from investors in Europe is steadily picking up, however, meaning more venture-backed startups such as Movea could enjoy exits in the new year.

London is a good example of the rising investment in technology in Europe. Technology firms in the U.K.'s capital attracted a record $1 billion of venture capital in the first nine months of 2014, outstripping last year's entire total, $719.3 million, by over 30%.

For any European companies seeking an acquisition from companies outside their home country, Guilaumé highly recommends relocating. "I couldn't figure out how to sell the company without having personal contact. We had a beauty parade with quite a few bankers, and I could understand the process intellectually but I couldn't relate to it. The only way for me to relate to it was to go one-on-one with potential acquirers," he says. "You just cannot do it if you're not local. I had many beers at night and many breakfasts on Sunday morning, and if you live abroad it's just impossible. So I would recommend definitely to be close to whoever you are looking at as potential acquirers in order to socialize."

For Guilaumé now, he must readjust. He has joined acquirers InvenSense as a VP and advisor to the CEO, and enjoyed some post-acquisition rest and recuperation. "It's a seven year pregnancy and a six month delivery," he says. "When you start your own company your social identity is linked to your company, and all of a sudden it is gone. I'm not in any operational role for now, so it's completely different."

Having been through all of the stresses of a startup, the exciting, uncertain journey of building a company from nothing, Guilaumé cannot hide his appetite to start from scratch one day. "Well it's a freaking bug right? Once you've been stung I don't see how you can recover from it. I don't say no for sure. I cannot say no. It's an incredible ride as CEO and founder." RH

Easy SOLUTIONS

Easy Solutions was founded in Bogota, Colombia in 2002 by CEO Ricardo Villadiego and moved its headquarters to Sunrise Florida in 2007. Like many of its employees, Villadiego worked for Unisys Corp. and Internet Security Systems – now a part of IBM – before joining Easy Solutions.

Detecting electronic fraud is a multi-step process that presents a new set of challenges at each stage. This is something Easy Solutions, a South Florida-based provider of end-to-end, integrated layered solutions for fraud detection, and its CEO Ricardo Villadiego understand well. "I think one of the big differentiators for the company is being able to fight any attack at any stage of the evolution of fraud," explains Villadiego, "We protect at the beginning and the end of the problem."

While working at Unisys Corporation and Internet Security Systems, Villadiego came to believe that the detection and prevention of electronic fraud was an underserved market. Although there are over 1,000 online security vendors, very few are dedicated to dealing exclusively with anti-fraud cases. So in 2007, Villadiego, alongside Julian Argüelles and Silvia Lopez, founded Easy Solutions to do just that. Today the company delivers its Total Fraud Protection service to over 220 clients and over 60 million end users. Many of Easy Solutions customers are financial institutions, but the company also counts a growing number of clients from the airline, e-commerce, healthcare and online gaming industries.

"We chose Easy Solutions because they have proven to be one of the industry's most innovative providers of integrated fraud prevention solutions," says the COO of City National Bank.

The electronic fraud protection market, like the greater security sector, has experienced significant growth recently. According to Javelin Strategy and Research, there were 13.1 million victims of identity fraud and 2013, while there was a 43% increase in bank account takeovers. While a disturbing trend overall, it's a market opportunity for Easy Solutions. The company prides itself on its ability to effectively mitigate fraud before it happens, through a process of monitoring, identification, interception, and then proactive takedowns.

It is an approach that reduces false positives and the overhead of managing tools, while lowering the costs associated with supporting an anti-fraud program. For example, the company's customers can use the Easy Solutions technology to identify when criminals are selling stolen information to the underground markets, which allows banks to then pre-emptively stop the compromised accounts from generating transactions. According to MarketsandMarkets, the fraud detection and protection market should grow to be worth $7.55 billion by 2018. This trend is echoed by some recent high-profile acquisitions in the space that promise to continue in the next few years, as the fraud grows more complex and the fraud prevention business becomes perpetual.

Easy Solutions' 2013 revenues were highlighted by an increase of 80% in subscription revenue, the best year-over-year growth in the company's history. This year, the company reported two consecutive record quarters and it's on track to meet its projected revenue growth of 150% by the end of 2014. The growth is on the backs of what Easy Solutions sees as two positive trends: an increase in mobile payments and banking, and a multi-vertical global expansion of its services in the North America, EMEA and APAC markets.

Easy Solutions has raised over $14 million since being founded. Its most recent round, raised in 2013, was led by Medina Capital, a Florida VC firm comprised of several former executives at Terremark Worldwide, an IT services provider that was traded on NASDAQ before being purchased by Verizon in 2011. "Online fraud is one of the fastest growing challenges for a variety of enterprises, be they banks, retailers, airlines, media companies, or anyone serving a broad public audience," said Manny Medina, one of the fund's managing partners. "Easy Solutions has incredible technology, a proven track record, and customers that rave about their solutions and their ability to significantly reduce fraud." RH

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FAST COMPANY THE WORLD'S 50 MOST INNOVATIVE COMPANIES 2013

Startups face battle to ENFORCE CHANGE IN ESTABLISHED INDUSTRIES

Uber: one of the many apps that is revolutionizing the transportation industry.

In 19th century England, during the Industrial Revolution, a group of textile artisans labelled Luddites protested against new technology in their industry by smashing the new machines to pieces. This led to bloodshed, economic and social unrest and rioting, all because technology threatened to take away the livelihoods of a large part of the country's workforce.

Today's technology industry doesn't contend with this same manner of opposition, but there are still many who are wary of the change that it represents. In fact, the modern tech industry has become so disruptive that it can now infringe not just on the jobs of the working classes, as it did in England in the 1830s, but also on some of the world's largest corporations. The broadcasting, taxi and limousine, and hospitality sectors are among the latest to face significant upheaval from new players with fresh ideas.

None of the incumbents in these industries have quite reached the point of destroying machinery, but they have each battled the newcomers in their own different ways. Will history judge them in the same way as the Luddites, standing in the way of inevitable technological progress, or do they have a just claim to defend their positions any way they can?

Broadcasters enlist help of the courts

The television broadcasting industry is no stranger to competition. For years the free, over-the-air channels like Fox and CBS have struggled with the trends towards digital cable and satellite TV. The threat posed by Aereo, however, proved to be something different. Aereo was founded in 2012 as a way to view and record live TV using an Internet connection. For a fraction of the cost of a traditional broadcast connection (between $8 and $12 per month), subscribers leased tiny, individual antennas stored in an Aereo-owned warehouse and gained access to the major broadcast networks. At the beginning of the year, the service had expanded beyond New York to other major cities such as Boston, Dallas, Detroit, and Miami. But in order to continue to grow, Aereo needed to do more than just win customers; it needed to win a court case.

On March 1, 2012, a group of major broadcasters that included Fox (whose parent company is 21st Century Fox), CBS (CBS Corporation), NBC (Comcast), and ABC (Disney) sued Aereo for copyright infringement, and by June of 2014, the dispute had reached the Supreme Court. The specific point of contention was the issue of retransmission consent. Retransmission consent is a provision of the Cable Television Consumer Protection and Competition Act, which was passed in 1992 and requires cable companies to obtain permission, for a fee, from broadcasting companies before airing their content. According to National Association of Broadcasters spokesman Dennis Wharton, these "copyright and TV signal protections promote a robust local broadcasting system that serves tens of millions of Americans every day with high quality news, entertainment, sports, and emergency weather information."

In the June 25 Supreme Court decision, Justice Stephen Breyer struck down Aereo's claim that it was merely an equipment provider. "Aereo sells a service that allows subscribers to watch television programs, many of which are copyrighted, almost as they are being broadcast," he wrote in the court's 6-3 majority opinion. Bloomberg estimates that the decision protected $4 billion in fees that cable providers currently pay broadcasters to play their content. The diffused threat from Aereo also ensured that TV contracts, especially those between broadcast networks and the NFL and MLB, would remain intact.

Responding to the decision on the company's website, Aereo CEO Chet Kanojia wrote, "The spectrum that the broadcasters use to transmit over the air programming belongs to the American public and we believe you should have a right to access that live programming whether your antenna sits on the roof of your home, on top of your television, or in the cloud." At the same time, he went on record to say that the company had no

Plan B in light of the decision that will otherwise force the company to change the way it operates.

The New York Times estimates that television is currently a $167 billion market, but there is less consumer choice than the market's size would suggest. In providing only basic cable, Aereo offered a cheaper solution to TV viewers content with a few, major channels, especially when bundled with a streaming service like Netflix, Hulu, or Amazon Prime. According to the research firm SNL Kagan, 101 million U.S. households currently pay to watch TV, either through cable, satellite, or telecom providers, down 7 percent from 2013.

> The hospitality, transportation and broadcast industries have all been rocked by the changes technology has thrust upon them.

The decline reflects a rise in "cord cutters," who favor streaming TV on computers and tablets, rather than a decrease in the popularity of shows and live programming. Many of these people have opted for hardware providers like Simple.TV and Roku, which are stored within the household, do not stream live programming, and have not encountered the same legal obstacles as Aereo. But there are countless others who use services that are perfectly content to operate outside the law. Broadcasters chose the legal route to halt Aereo, but even with the Supreme Court on its side, the problems presented by video streaming will persist.

Taxi drivers take to the streets in protest

On June 11, a coordinated effort of over 30,000 taxi and limousine drivers successfully blocked major tourist attractions in London, Berlin, Madrid, and Paris to protest the ride-sharing mobile app Uber. The blockade brought traffic to a standstill, but it has not dissuaded people from using the service. In fact, that day the company announced an 850% increase in sign-ups compared with the Wednesday before.

The European protests are just the latest speed bump designed by the notoriously stodgy cab industry to slow Uber. Since its founding in 2009, Uber has been subject to a number of objections, including a "cease-and-desist" letter from the San Francisco Municipal Transportation Agency, a lawsuit from a group of Chicago-based cab and livery companies, and a cap on the number of cars it can have on the road by the Seattle City Council. However, these legal roadblocks have not dissuaded investors. In early June, Uber raised an additional $1.2 billion in venture capital, giving the company an estimated valuation of $18.2 billion. The cash has allowed the company to be even more aggressive in its pricing structure. On July 1st, it alerted its Bay Area users via e-mail that it would be cutting "uberX fares by 25%, making it 45% cheaper than a taxi."

Thanks to Uber's sophisticated technology and deep pockets, cab companies are being forced to do something they are largely unfamiliar with. Speaking to the Atlantic, Atlanta Mayor Kasim Reed predicted that the battle between Uber and the taxi industry will be "a fifteen round fight, and I think that Uber's going to win...But in the interim, they're going to flat out fight it out, and mayors are going to be in the middle of it, because the taxicab industry is so old and staid and never had real competition, and now it's being forced to innovate."

Whether the fifteen round fight features more political lobbying or the adoption of the tools that have made Uber successful, one thing seems fairly clear: another protest appears destined to fail.

Hospitality disruptors tied up in regulation

Like Uber, Airbnb has played a lead role in the development of the "sharing economy" by helping thousands of entrepreneurially-minded people optimize their resources. Also like Uber, AirBnB has faced stern opposition from the industry and the cities in which it operates, whose revenues the new businesses are cutting into.

After offering an air mattress in a San Francisco apartment to its first customer in 2008, AirBnB now has 600,000 listings in 34,000 cities and 190 countries. Its latest round of venture funding, meanwhile, values the company at $10 billion. But if the company is to realize its full potential, it must overcome a set of regulatory challenges. Opposition is strongest in New York City, where a 2010 state law prohibits residents from renting out their apartments for less than 30 days in their absence.

According to reporting by Bloomberg, Airbnb has hired the New York white shoe law firm Paul Weiss to fight a legal battle with the state's Attorney General Andrew Schneiderman. Last month, the company was forced to turn over personal data that could be used by Schneiderman in a legal case against certain Airbnb users who might have acted in violation of the aforementioned state law. The company is also paying Bolton-St. John's and Risa Heller Communications, politically connected lobbying and PR firms, to positively shape its public image. Some of the pressures might be relieved by the recent announcement that Airbnb will begin paying the hotel tax in cities like Portland, San Francisco, and New York. That being said, as with the ongoing discussions surrounding Aereo and Uber, many more challenges to the status quo remain unresolved.

The hospitality, transportation and broadcast industries have all been rocked by the changes technology has thrust upon them, and as expected, all of the main players have fought back in their own ways. In some of these industries newcomers will be temporarily halted and some may even be stopped completely. However, those not at the forefront of this software-inspired wave should be warned - change is right around the corner. RH

FINNISH TECH CRISIS REMAINS

Alexander Stubb, the Finnish prime minister, caused quite a stir in October, when he appeared to blame Apple for his country's economic meltdown. Speaking on CNBC, the 46-year-old premier complained that the tech giant had destroyed Finland's two major industries: Nokia and paper. "You could say the iPhone killed Nokia, and the iPad killed the Finnish paper industry," he said.

Apple aficionados, and some major outlets, were quick to criticize Stubb. TechCrunch pointed a particularly bony finger, claiming that "when in doubt blame someone else." Stubb has form: in July he told a major Swedish newspaper that "Steve Jobs took our jobs."

But whether he meant his latest statement quite so literally is up for debate.

Toivo Vilmi, CEO of Oulu-based lighting tech firm Valopaa, believes the PM was being taken out of context: "Originally this comment is not from the prime minister, but he uses it like his own. This is not meant to be fact. The idea is that this is a humorous way to tell us we need to improve our two main industries, ICT and Pulp, but also as a country.

"The prime minister has maybe been too serious when he has given the interview," adds Vilmi, "and it is not wise to use a Finnish internal slogan in another country - especially the USA, which is the home of Apple."

Far from vilifying Apple, says Vilmi, Finnish I.T. professionals hold it in high regard. "Economic challenges in Finland are mostly internal," he says. "We have too many politicians and other people in main positions, who don't wake up to the global economy and don't make real decisions to boost our economy."

Finland's economy is undoubtedly faltering, if not unconscious. Standard and Poor's downgraded the country to a AA+ rating from AAA, a single-step drop that prompted pleas from Stubb to reduce debt. "Finland needs a new medium-term plan to rescue the economy," read a statement on October 11.

Finland's government debt will pass 60% of GDP by the end of this year, from just 33% in 2008. In June Finland's finance minister lowered the country's growth forecast from 0.5% to 0.2%, claiming that "overall public finances in Finland are not on a sustainable basis."

Nokia, once the country's pride, has been a big part of the fall. Microsoft acquired the firm's mobile devices business for around $7 billion in April, and by July announced the loss of 500 jobs.

Nokia's market value plummeted from €29.5 billion ($37.3 billion) in 2010 to €11 billion ($13.9 billion) last year. Until 2012 Nokia still held market leadership among handset makers worldwide, when it was surpassed by Samsung. Now smartphones built with the Android operating system, such as Samsung's, account for 84.7% of the global handset market, according to IDC, an analyst. Windows phones, the operating system Nokias feature, comprise just 2.5% - a drop of 9.4% on last year. Apple makes up a further 11.7%.

Stubb's comments are unlikely to instigate any immediate change in fortunes for Nokia or Finland. Jukka Hyttinen, CEO of Helsinki-based software company SN4, believes that the country's economy has lacked innovation. "Apple was striving to change the world, focused on user and customer experience instead of product features and changed the Nokia dominant market," he says. "In Finland it was too easy to concentrate on wealth and profit sharing and not pursuing the necessary – changing the world with new ideas and businesses."

"I.T. systems are no longer bought as long term projects and technical product features will no longer matter," adds Hyttinen. "Instead flexible, ready-made cloud systems and pre-designed concepts will grow into the markets and change the behavior of I.T. purchasing.

"Nokia and the I.T. industry have left us with lot of knowledge capital to cope with the change," he adds. "The real question is if the Finnish government will pursue driving and backing up change, or if we keep on raising the taxes of growth company owners and personnel.

"If it's the latter, the new ideas and innovation will be sold abroad before hitting the sweet spot." RH

The Reality of PERCEPTIONS

It's late Friday at a café in Paris' sixth arrondissement, and most locals are on their second glass of wine. The moment Nicolas Dufourcq appears, shakes Red Herring's hand and orders a glass of mineral water, it is as if it were 9am on a Monday morning. Dufourcq is steady, outspoken and not a little combative as he reels off his commitments to French business, and his dislike of enduring perceptions of Gallic entrepreneurialism. It's difficult to get a word in, as if you'd want to.

That ructious streak is a major reason why Dufourcq has become one of France's most important businessmen. After a long career in major industry, the 51-year-old Parisian was picked by then-Prime Minister Jean-Marc Ayrault in January 2013, to head up the Banque Public d'Investissement (Public Investment Bank) of France, or Bpifrance.

Some insiders voiced surprise. But in the intervening 28 months, Dufourcq has shown his commitment to stimulating French industry, by visiting a frankly mind-boggling number of entrepreneurs. Between the 3rd June and 3rd December last year, he says, Dufourcq "cruised France" through 35 meetings in 35 cities, meeting two-to-four hundred entrepreneurs in each. "I met around 11,000 entrepreneurs," he adds.

That itinerant philosophy, which Dufourcq likens to the role of a "countryside doctor", has been passed on to Bpifrance's employees: each one must visit between 150 and 200 entrepreneurs per year. The effect is to "restore confidence," says Dufourcq. "But not just that. It is restoring the value that we are here to build."

One of those entrepreneurs was Cédric Hutchings, CEO of Withings, a health device company based in the Paris suburbs. In 2013 Bpifrance co-invested in a €23m ($25.3m) funding round. In fact, as we speak Dufourcq points out that he is wearing a Withings Activité, a watch that tracks activity throughout the day.

"(Bpifrance) is really engaged in meeting opportunities that are right for the company to participate in," says Hutchings. "They have a special impact in terms of visibility, media and heading out of their offices. This is especially important for Withings, which does consumer products. It's a very important part of Withings."

France as a whole needs to get out of the office. The global recession hit the country hard, and foreign direct investment, reports the Wall Street Journal, has dropped by 94% over the past decade, from $93.3 billion in 2005-07, to just $12.7bn in 2013. Paris was once considered a hotbed of tech talent, but has fallen behind London and Berlin in recent years as a European startup hub.

Part of that downfall has been deserved, admits Dufourcq: French business owners are far too risk-and-debt averse, and many are willing to make exits that undermine their own ambition. But an unfair global perception of France, and the French, has also contributed.

"It's all a perception: France is in the middle ages; France does not exist, and so on," says Dufourcq. "No-one knows that we have 90 venture capital funds in Paris. In Berlin, ten. No-one knows that we have a million engineers in France, the same as Germany." The legal environment, he adds, is far cheaper than in the US: "You don't need lawyers to start your company."

Labor is another area in which Bpifrance must combat negative perceptions, adds Dufourcq. But there is some truth to France's reputation as a difficult place in the field. "When I talk to entrepreneurs they tell me that the cost of labor is not the problem," he says. "The problem is the code of labor, and the perception of that code. It's the lack of transparency and visibility. The perception (of France) in the US is just ludicrous… French people work really hard."

Positive psychology is the key to breaking France's cycle of underperformance, says Dufourcq, who stresses to meeting attendees the importance of smiling. "'You're in the elite,' I tell them. So you have to show a positivity. Second, you are entrepreneurs, not employees: you have to think like that, develop your companies. You make €50m? How could you €100m?"

It's that 'unicorn' ambition, as Dufourcq coins it, that will make France a global business superpower once more. "It's not because you do well that you are a unicorn," he says. "The problem is not competence, technology, intellectual property or infrastructure. It's the level of ambition."

This isn't helped by a proliferation of old-money, family-run SMEs which bristle at the thought of being lectured to about their own ambitions. But those perceptions, as with those of France itself, are changing, Dufourcq insists.

Francois Hollande has already expressed his desire to make France "simple", meaning easy to deal with. And Bpifrance, founded in 2012 and with an investment kitty of some €20bn ($21.7bn), the President has the perfect tool. Those 90 venture capital funds? Bpifrance funds them all. And the abundance of cash allows Bpifrance not only to seed positivity in the minds of local entrepreneurs, but to monetize companies into being more comfortable with debt: an issue that has arguably kept France, and Europe, behind its American counterparts.

"It was even a slogan of ours," he says. "Debt: a bad word or the basis of a big project? In many situations we put a company in debt, go for the development. And it's really working. Refrain from the temptation to sell too fast. It is so frequent that we run our cars at 80mph when we could be doing 120mph. We need someone to kick our asses."

You won't find Dufourcq driving a car, though: he claims to be the only CEO with €60m ($65m) that doesn't own one. It is on two wheels that the storied businessman navigated his home city, and many others - whether by bicycle or his beloved motorbike. It's a quietly original streak with which he has carved a formidable career, and a current place as France's business czar.

Educated at Paris' Haute Etudes Commercials (HEC) business school, Dufourcq's entrepreneurial streak was already evident, having created five startups before he had even graduated. Dufourcq then joined the office of René Teulade, then minister of Social Affairs and Integration, in 1992. A year of finance inspection then prefaced a 1994 move to France Télécom, at which he held several high-ranking roles before moving to IT services and consulting giant Capgemini in 2002 as managing director.

There Dufourcq was responsible for France, Germany and central and southern Europe (Dufourcq speaks fluent English and German), growing the business and winning Hudson's CFO of the Year award in 2007. Dufourcq is also on the board of Babelstore SA, online buying platform Priceminister and Euler Hermes.

Daniel Kahn is another leading light of France's tech industry who has helped local firms get their feet off the ground. The lawyer, educated in France and the US and with business ties to Israel, China and Luxembourg, believes that Bpifrance has done a good job geeing up entrepreneurs to step up to the next level. But he worries that money is being spread too thin, and put into too many middle-of-the-road outfits. "I think France has to be more ambitious, look at companies which are doing unique things rather than e-commerce, for example," he says.

That said, changes are beginning to be seen on the ground in French industry. "Everybody now wants to do a BlaBlaCar, a Criteo," says Dufourcq. "In 2015 it will be Cellectis. "Thanks to the growth fund we can put massive capital to work and (companies) don't need to be sold, or to go abroad." The new generation of entrepreneurs, he adds, are aiming for €1bn ($1.097bn) exits. "We used to have one unicorn every six or seven years," he adds. "Now you have one every year."

France will enjoy more exits in general, says Xavier Lazarus, partner at Paris' Elaia Partners - partly due to its own shortcomings: "One of the reasons Criteo is worth what it's worth today is that no-one came to acquire it before. No-one thought that an ad-tech company could be worth so much. They said, name another company coming out of Paris that has been important in data or ad-tech.

"The CEOs of these local companies worth, perhaps, $10m-$50m, they now know that they can find a market and can have board members from high levels and they can have early, mid-or-late-stage VCs on board," adds Lazarus. "So they have more to grow with. They also say no to a quick out, they want to go to the market. Everything is giving a better chance for the next Criteo to happen."

Francophone countries were once thought to provide great opportunities for startups to grow and expand. But today most everyone agrees that it is not ambitious enough to look at them alone. France still trades mostly with its European neighbors. And Dufourcq doesn't want to burn those bridges. But he is eager to help French businesses deal with the rest of the world. Bpifrance has its Franco-Euro fund, for example, which is worth €1bn. And a Franco-Chinese fund, based out of Shanghai, is slated for the near future.

It is another aspect of French business that must change, says Dufourcq, for the country's potential to be met. "It's different territories for different businesses," he says. "If you are in the chicken business, go to Brazil, go to India, go to Saudi Arabia. If you're making more delicate foods go to Stockholm or London. There are lots of people in luxury food here who don't even go to London - it's two hours on the train! We organize things for them with our partner Business France."

Daniel Kahn has also been lobbying for greater cooperation with emerging markets. He believes that in particular China is

(Continued on p.263)

Send more than money!

Sending love in the currency of your choice with a simple and secure solution.

Messaging a friend has never been easier. Options to send photos and videos to friends and family are also abundant. Most of this is happening over the numerous social and messaging apps that are available. But sending money remains a more difficult proposition, and usually involves negotiating the sometimes exceedingly frustrating transfer methods provided by banks and remittance companies. But Singapore-based fastacash is making sending cash as-easy-as sending a selfie, with a simple and secure solution.

The fastacash technology enables users to send money, airtime, vouchers, or gifts over any social or messaging platform. The fastacash solution does not target the consumer directly, but instead, the company partners with banks, e-wallet players and other payment service provider to bring its technology to end users. With the business-to-business (B2B) model, fastacash does not compete with the likes of SnapChat's new offering SnapCash but sees such services as potential partnership opportunities. In the example of a bank, the bank's customers can send monetary value like money, using a secure link, which can be sent to the receiver over any social or messaging platform of choice.

Social media and instant messaging services have never been so popular. It was reported recently that WhatsApp processes more than 50 billion messages per day, and that's just one of the many messaging providers on the market. The messaging market's surge in popularity has led to some huge valuations within it. Facebook bought WhatsApp for $19 billion, while Snapchat is said to be worth $10 billion even before it has recorded any revenue. These mega-valuations demonstrate the importance of instant messaging, and the potential the market holds.

"The banks know they have to get into social to address the needs of the younger, 17-25 year-old segment. This segment is not coming into the branches - they are doing everything on their mobiles and spend a large amount of time on social and messaging platforms. They are looking for services that meet their needs.," explains Vince Tallent, Chairman & CEO, fastacash. "Our solution gives the banks the opportunity to get into social where their target audience is. We integrate our technology with the bank so they can provide this peer-to-peer domestic or international funds transfer solution over social media."

The company was founded to solve a common problem. Co-Founder and current Chief Innovation Officer Shankar Narayanan wanted to send money to his daughter who was in school at the time. Although the two communicated regularly over social media, there was no way for Narayanan to send funds through social. Vince Tallent, then saw the opportunity to build a business around the company, and the company has been achieving remarkable success ever since.

Seed funding was raised from Funding the Future, a Hong Kong-based fund and Series A was led by Singapore's Jungle Ventures, with participation from the Singapore Government's technology investment arm, Spring Seeds Capital. The company raised a subsequent round, Series A+, which was led by the Kewalram Chanrai Group and had participation from existing investors.

The company is focused on execution and building out its network of partners globally. "It's about growth and superior execution," says Tallent. "We are focused on taking live the contracts we have signed over the last couple of months."

The company is targeting the billions of dollars sent from countries such as the U.K. and the U.S. to places like the Philippines, India and Mexico. These international remittance corridors are 'ripe for new technology' according to Tallent.

fastacash has a 'strong pipeline of future customers' according to Tallent, and it's easy to see why. The company's solution offers banks and other financial institutions an easy route into what has been a difficult area for them – social media. As the amount of money sent and received via non-conventional methods increases, fastacash is in an ideal position to make its own solution pay off in a big way.

(Continued from p.261)

still, despite its years as an important player, vastly misunderstood by French entrepreneurs. "People have the wrong idea about China, which has changed a lot," he says. Europe-China relations, he says, will be key in advancing the economies of both in the coming years.

"We need to have more training, more traveling, more people going to the US," adds Lazarus bluntly. "It takes a hundred years to build a hundred-year-old oak. If we don't increase all these things, if we don't increase investment and innovation and market size, it will be too little."

Dufourcq is moving fast. He created the first growth tech fund, Large Venture Fund (LVF), which has a €600m ($659m) fund and 60% of French biotech listings. Bpifrance has also helped Paris, Berlin and San Francisco-based Partech Ventures to create a growth fund of €600m, with 25 pure seed funds, 70 series A rounds and 3-4 accelerators. "With that you have the whole pyramid," he adds.

Cédric Hutchings believes in the progress Bpifrance is making: "We are starting to shift the cultural drawback we have here, that we look too much at the national market. In terms of access to capital, Bpifrance is filling a gap that there was no capital for acceleration funds and other investments."

Bpifrance's four core values are proximity, simplicity, determination and optimism. Dufourcq embodies them all, with a drive and passion that is clear to see, even late on a Friday night. "An entrepreneur is an emotional machine," he says. "The power of it is unbelievable. So if it's underused, it's heartbreaking. What we are doing is maximizing the energy of these entrepreneurs.

"France can never change? Today I am not confronted with that reaction," he adds. "It may have been the case before, but what I'm saying is beginning to become the lingua franca of at least part of the elite. It's interesting what is happening in France. We have passed a tipping point. It's not visible yet, but the positive psychology has gained a lot of ground in the leading circles."

With Nicolas Dufourcq at its helm, French entrepreneurialism has been getting an effective checkup. RH

ViSenze image recognition technology

For years now visual search has been bandied about as the next great opportunity to bring structure to digital data. Even though Amazon and Google have experimented with forms of the technology, the idea of searching by image, instead of keyword, is still unfamiliar to most all internet users. ViSenze, a Singapore-based proprietary image recognition technology, is looking to change that.

ViSenze was founded in 2012, at the NExT research center, a joint collaboration between the National University of Singapore (NUS) and China's Tsinghua Univeristy. It was there that Li Guangda, who as a PhD candidate was becoming an expert in video recognition technology, met NUS professor and NExT program director Chua Tat-Seng, one of the world's foremost image recognition researchers. Guangda and Tat-Seng initially worked together in an academic setting, but when the two became aware of the commercial applications of their research, they recruited Oliver Tan and Roger Yuen for their business acumen, while Guangda and Tat-Seng assumed the role of CTO and Chief Scientist, respectively. All four are listed as co-founders.

Today, ViSenze takes the large image databases of its customers and makes them fully searchable. The technology, for which ViSenze has two patents pending, can be powerfully applied by e-commerce companies in particular. "E-commerce companies can offer their customers an option to search by image instead of searching by keywords," explains Vasanth Raju, ViSenze's Director of Business Development, "We think this is a more intuitive way to search, especially in areas such as fashion, where products are harder to describe and are more visual than descriptive."

The company is also currently working to improve image recognition in video, which could power an in-program, impulse buying that has never been seen before. According to Raju, video publishers could use ViSenze's technology to open the door to purchasing directly the items that are seen on-screen.

ViSenze operates according to a SaaS-based revenue model, charging a recurring subscription to customers a price dependent on the size of their database. Unlike say, Google or Facebook, though, ViSenze has avoided affiliate marketing revenue, or taking a share of revenue for getting a customer of a customer to click on a particular image. Likewise it has refrained from making money based on the number of searches made. Instead the goal is to continue to refine the algorithms at the heart of the service by collecting as much consumer data as possible.

What is not currently funded by revenue is being covered by the $3.5 million Series A round ViSenze raised earlier this year. Rakuten Ventures, the venture capital arm of Japan's Internet conglomerate, led the financing, with additional participation coming from Walden International and URB Venture Management. In the coming year the company will look to grow its presence in the U.S., India, and China, while remaining committed to its roots in academia. "We have a team of four PhDs so it's a very research oriented group who are trying to solve a real world problem," said Raju, before adding, "We build our own technology, we don't license it from third-parties. We build it so we can fine tune it." While a difficult problem, ViSenze might just have the solution. RH

Valurise
Health Insurance in China

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According to Lucintel, the global health insurance industry will be worth $842.1 billion by 2017. Its CAGR will be 4.1% over the coming five years. Insurance markets in the U.S. and Europe have stalled with the global economic crisis, and growth in established markets, according to a report by Dagong, an analyst, is little or none.

"A number of emerging markets including Kingdom of Saudi Arabia, Malaysia, Mexico, Turkey, UAE etc., are widely considered as attractive growth markets," adds the report. "Ongoing regulatory changes could further create significant opportunities in these areas. However, China dwarfs these markets, by its size, speed of economic development, complexity and the scale of opportunities. With the economic policy and regulatory development picking up pace, China provides significant opportunities for international growth."

Despite a growing number of foreign players entering the market, health insurance is one of the industry's most promising sub-categories. A modernizing regulatory commission, and innovative services, are contributing to an industry CAGR powering past GDP, at around 16.5%.

Enter Valurise, a Shanghai-based health insurance firm that, via a series of innovations and partnerships, has grown exponentially since its 2009 inception. In August Valurise became a Red Herring Top 100 Asia winner — the only healthcare enterprise to do so at the Hong Kong event. It is one of only five Chinese healthcare services to take a Red Herring gong in the event's nine-year history.

CEO and founder Dr. Rico W. Tang is not surprised with his firm's rapid rise to success. "We have over 60 service offerings. But any item is included. Also, this is combined from the front to the back end, (and) prenatal care. This is unique.

"We were, including other healthcare service companies…the first innovative healthcare service in China, in 2009, with only 100 employees," adds Tang. "Of course, we are 100% prepared for the future."

Valurise, or to give it its full name Valurise Health Solutions International, or VHS, offers a huge range of services, online and offline, for employers and insurance companies. Its social security and wireless health solutions have placed an emphasis on impartiality and precision, winning custom and pushing aside would-be competitors.

"In this modern, integrated healthcare we are the pioneer," says Tang. "We don't have any direct competitor that exists. As for our advantages we have exclusive support from a clinic and we have the only recognized model, called VHS model, from the central government of China. All those things have provided us the unique position."

Valurise was recently invited by China's government to help with its 'economy engine', called Healthcare Service. "This is the first time a new industry has been promoted by the central government," notes Tang.

In July 2013 Valurise signed a strategic agreement with Rochester, NY-based nonprofit Mayo Clinic. The deal allowed Valurise to on-board Mayo's Healthy Living suite including its Ask Mayo Clinic triage algorithms, EmbodyHealth programs, newsletters and tools, online portal Mayo Clinic Health Letter, and condition management content. Mayo was "excited to provide Mayo Clinic knowledge to the people of China," said its medical director Paul Limburg, MD.

Valurise has locations across China including Beijing and Shenzhen. It is also based out of Hong Kong and Flemington, New Jersey. And Tang has targeted a full global presence within seven years, in typically gallant fashion. "Twenty years later we will be a top 500 company in the world," he adds. "This is our target. We will have our channel to public…within three to five years."

Tang embodies the fast pace and high ambitions of Chinese companies today. And with Valurise, he has a growing empire he feels will soon be worth billions of dollars. "Soon we will be a broad healthcare company," he says confidently, " but with links (in China)." With such high figures coming out of the world's latest superpower, it's easy to see why Tang is a happy entrepreneur. RH

Dr. Rico W. Tang is the CEO of Valurise Health Solutions International Group

PRINTVENUE
B2C PRINTING

A graduate of IIM-Calcutta and IIT-Roorkee, Kochhar launched product customization platform Printvenue in 2012, which has been backed by Rocket Internet to expand into Southeast Asia and beyond.

Printvenue, founded in January 2012 by CEO and founder Saurabh Kochhar, started out as an almost entirely business-to-business offering. After closer examination, the company found a huge market in the B2C world, and never looked back.

The company originally only offered products such as business cards, letterheads and envelopes, and while it still sells these items today, the expansion into more consumer offerings had a drastic effect. "We realized we were irrelevant to 85% of the people we were reaching out to. That's when we decided to do more B2C products and revenues doubled overnight. Over the past year we've launched around 500 products," says Kochhar.

The company now has a good mix of products. Business cards remain its top seller, but it also offers pens, card holders, mobile phone skins and keychains. The manufacturing of these products has also changed. Initially the company outsourced all of its printing, but over time that figure dropped to 60% being done in house, and 40% outsourced — and that ratio is still dropping.

Printvenue's success in its two major markets, India and Brazil, where it has distribution centers in both, has led to expansion plans for the region. "We're targeting Singapore, Malaysia, Australia, Philippines and Dubai. Then obviously the idea is to make this live in as many markets as possible," says Kochhar.

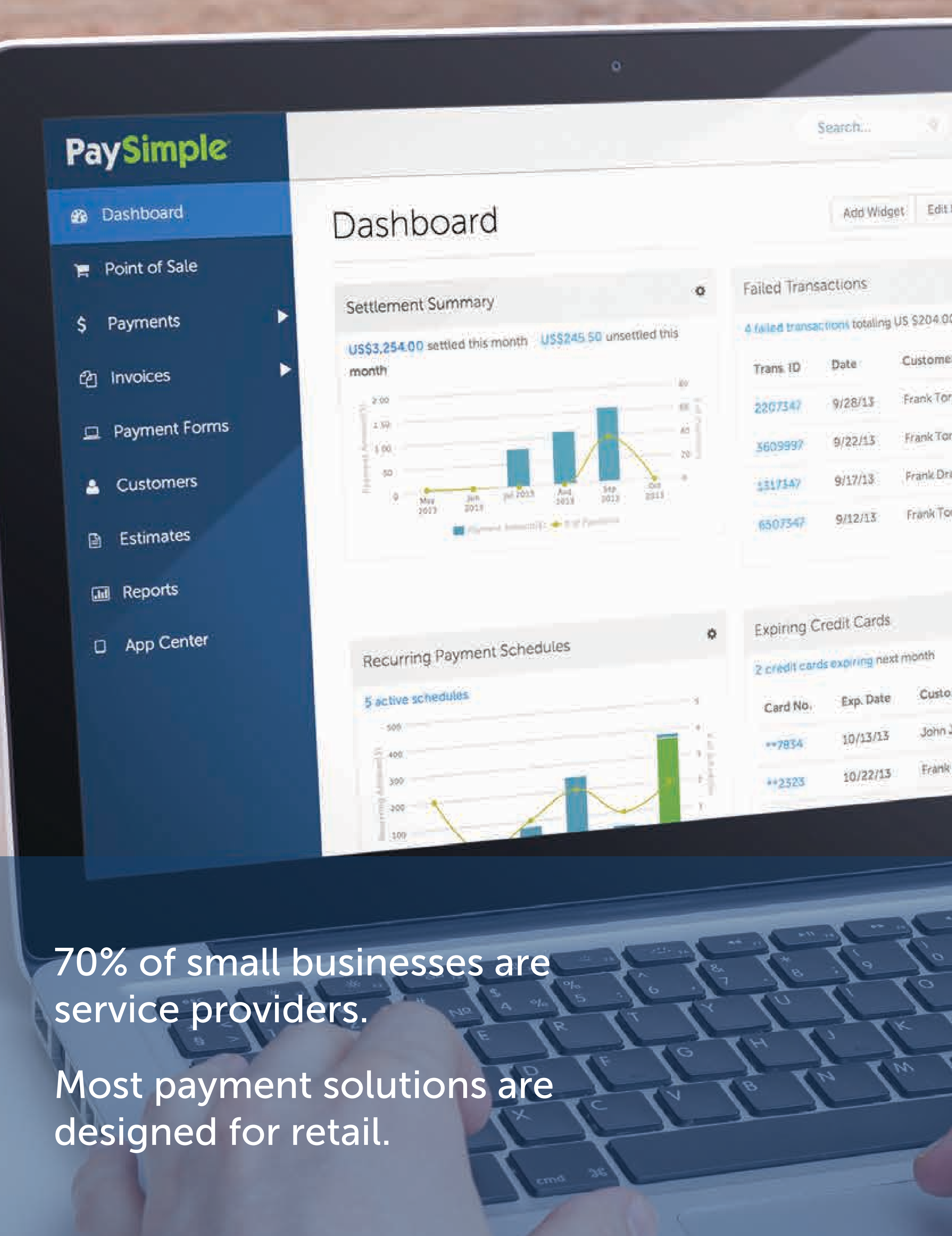
As the company expands, Kochhar will be looking for new investment and partners in the countries and regions it moves into. "As we launch in new countries, the current capital is tied to the geographies we are in now, we haven't raised money for the Middle East or others. What's helpful with local investors is you get a kick start as well, if you have a local telco or local retailer, one they can give you feedback very quick and second they can help you get started," he says.

The vast majority of the startup's funding comes from Rocket Internet, the German investor. This connection led to a major shift in March 2015, when Kochhar was named CEO for India of Foodpanda, a food delivery company launched in Singapore in 2012. Foodpanda is also backed by Rocket Internet and is active in 39 countries across four continents. The company has acquired two Indian food delivery companies, TastyKhana and JustEat India, and Kochhar will be responsible for the single merged entity.

But despite this move, Kochhar will remain as CEO of the company he founded, Printvenue. Chief Marketing Officer Gagan Arora will take on more responsibility but Kochhar will effectively be running two companies.

Whether this proves unworkable or not, Kochhar's ability to lead a rising company has been spotted by his investors, and both Printvenue and himself are heading in the right direction. RH

Saurabh Kochhar, CEO and founder.



70% of small businesses are service providers.

Most payment solutions are designed for retail.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or clothing shop.
I provide a service.
I build relationships with clients.
I need a way to bill and collect
that works for my business.
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