

Up-and-comers lead the next wave

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BY TERRENCE BELFORD

At first blush Octopz Inc. and Spatial View Inc., both of Toronto, and Brandimensions Inc., of Mississauga, Ont., would seem to have little in common other than being high-tech companies. But to Deloitte & Touche they are three of a kind.

Deloitte has singled them out as companies to watch in its 10th annual survey of Canada's fastest growing high-tech ventures. For one of the three it means it has simply not been in business long enough - five years - to qualify for the official Fast 50 list. For the other two it is the market sector that caught the judges' eye.

"They are either growing exponentially or are in an area of technology we think is emerging as a major sector," says John Ruffolo, leader of Deloitte's technology, media and telecommunications practice.

Choosing which new ventures make Deloitte's companies-to-watch list is based in equal parts on intuition and evidence.

"We look at them the way a venture capital investor would," says judge Albert Behr of Behr & Associates.

"It is a mix of evidence-based scoring and informed intuition. The company has to be in a global market, have top-flight management, and technology that is superior to others available at the right price."

Octopz falls into the developing-markets class. The company, which was launched last April at the annual Web 2.0 Expo in San Francisco, provides what industry observers say is a revolutionary online collaboration service for creative types. Platoons of artists, writers, designers and engineers can log in to dedicated virtual workrooms and create, revise and get immediate approval for projects. The rooms offer not only text and images but also voice and video, and the Octopz software stores every version of a work in progress for quick recall.

"The software was created by our founders, photographer Barry Fogarty and designer Paul Nykamp," says Ron McKenzie, the company's chief executive officer. "They developed it for their own business and realized they were onto something far superior to anything else available.

"When we launched it at Web 2.0 it was an immediate hit," he adds. The technology news website CNET voted it one of the top five new technologies at the show.

Octopz is not yet selling its service. Instead it has offered a two-week free trial to interested parties; so far, more than 1,000 people and companies in 65 countries have accepted the offer. When it does enter the commercial market a license for a single workroom will go for as little as \$99 a month or \$1,000 for a year's contract, Mr. McKenzie says.

Spatial View is another new kid on the block. Its focus is on bringing three-dimensional viewing to video games, medical imaging, the defence industry and those huge LED advertising screens springing up in airports, public squares and shopping malls. The company creates both the enabling software and the screens themselves.

"We actually launched the company in 2003 but only went to market early this summer," says founder and president Beat Raemy. "Our goal is to be an enabler; we will license the technology to large international companies and they will adapt it to their own products."

An immediate coup was the licensing to electronics maker NEC Corp. of software and a slide-on screen that turns games from two dimensional to three, Mr. Raemy says.

"We are also working with advertising companies and are discussing 3-D imaging for diagnostic equipment such as MRIs," he says. "The response has been enormous."

Brandimensions just missed qualifying for the main Fast 50 list, says Kevin Joy, the company's vice-president of marketing. It was founded in 2001, a few months short of the five years necessary to be considered.

Mr. Joy says he thinks the recognition from Deloitte comes because the company has posted a 4,000-per-cent gain in sales since its first year.

Today Brandimensions has 100 employees and 10 sales offices around the world, including the United States, Britain and Singapore.

Essentially what the company does is use a powerful search engine, coupled with live analysts, to search Internet chat rooms, blogs and other places where people are talking about its clients. It then analyzes what is being said and reports back to the client. One of its two divisions uses the information for consumer market research; the other looks for information

that might threaten the integrity of its client's brands.

"On the market research side, we are able to provide much more accurate insights into what people are really saying and thinking about particular companies and products than focus groups," Mr. Joy says. "That is because they are being candid and more relaxed."

On the brand-protection side the company has tracked incidences of such Internet intrusions as "phishing," the use of replicas of legitimate websites to direct people to bogus sites where criminals steal valuable personal information.

"There is a fast-growing realization that brand has enormous value," says Mr. Joy. "All major companies have to be concerned. I think we can expect sales to continue to double every year for the foreseeable future."

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Ten companies to watch

Tech companies that have been in business for less than five years but show great promise

COMPANY	LOCATION	SECTOR	PRODUCT/SERVICE
Airline Intelligence Systems	Toronto	Software	Airline management software
Axiom Real-Time Metrics Inc.	Oakville	Software	Electronic data capture
Brandimensions	Mississauga	Software	Online brand monitoring/research
ENABIL Solutions Ltd.	Calgary	Telecom	Customer care solutions
Enablence Technologies Inc.	Kanata	Hardware	Integrated optical components
First Coverage	Toronto	Software	Solutions for FINs
Octopz Inc.	Toronto	Software	Online collaboration technology
RapidMind Inc.	Waterloo	Software	Software accelerator
Spatial View Inc.	Toronto	Software	3-D spatial imaging
xkoto Inc.	Toronto	Software	Database load balancing