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SXSWS accelerating music... business

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The music industry is hungry for innovators like Jared Gutstadt, co-founder of Jingle Punks, a technology company that helps place music from lesser-known Indie artists and bands in television and film.

The South by Southwest Music Festival is looking for such folks as well.

Right now, the international SXSWS Music Festival, which includes the growing film and interactive festivals, is on the verge of launching the Music Accelerator, a competition for emerging music-focused technology businesses. SXSWS is replicating the model of its SXSWS Interactive Accelerator competition, said SXSWS Accelerator producer Chris Valentine. The Interactive contest has helped fledgling tech companies gain a quick marketing boost since 2009, launching contestants onto a stage that's viewed by tens of thousands of industry players who attend or follow the annual festival in Austin.

SXSWS is launching the Music Accelerator amid the convergence of music and technology in a new digital era that has changed the way people buy, sell and listen to music. Next year is also SXSWS's 25th anniversary, and festival producers hope to highlight the future of music through this and other events, Valentine said.

"The idea is to bring music innovators to South By," Valentine said, adding that he expects about 100 businesses to apply for the event. "It's essential for musicians today to be digitally savvy, to understand the crossover between technology and music."

The Music Accelerator, taking place on March 16, 2011, will feature 12 businesses. They will have an opportunity to demonstrate their tech wares to industry peers, investors and media as they are evaluated by a panel of judges.

"It allows us to put these businesses in a place that would help them even more," Valentine said. "The music festival itself is bringing in the industry leaders on so many different levels."

Gutstadt is hoping the two-year-old Jingle Punks from New York will be chosen for the new competition, and he applauds SXSWS for recognizing technology's place in the music industry with an event for such startups.

"For a long time I felt my company was alone in this space. There is now the intersection of music and technology, and it's exciting," Gutstadt said, adding that the Music Accelerator would provide his company with valuable exposure. "We can search for new bands and network with people while still having the excitement of this event."

Valentine hopes the new event will be as beneficial for music-oriented startups as the Interactive Festival Accelerator has been for other technology startups.

Joshua Baer, who presented his Austin-based online email management company OtherInbox at the first Interactive Accelerator, agrees it is now seen as a go-to competition for technology startups. Two of the top competitions are hosted by technology blog TechCrunch and the DEMO technology conference.

"SXSWS is a really strong brand, and it does bring the investors and media. I do think it is establishing itself," Baer said.

SXSWS, meanwhile, charges a lower fee than most, making it more accessible to cash-strapped businesses, Baer said.

The application fee for each Accelerator event is \$150, which SXSWS is willing to waive for businesses that can't afford it. The deadline to apply is Dec. 10. Information on the program is available online.

As it moves into its third year, the Interactive Accelerator competition has racked up a few success stories. A company called **Siri** was acquired by Apple Inc. Nutshell Mail was acquired by **Constant Contact** Inc., and **reMail** was acquired by **Google** Inc.

"What this tells us is that we are choosing the right companies," Valentine said. "These are the innovators, the next big things, the Twitters of the world."

SXSWS has benefited from having people on its advisory boards in major technology markets around the country who are tasked with identifying potential business for the competitions, Valentine said.

"Their job is to find those companies, share them with us and get them to apply," he said. "Then we go through the process of whittling those down to the top 12."

SXSW is assembling its Music Accelerator advisory board now.

Discovering new companies is the fun part of Valentine's job, he said.

"I see stuff now that people will be talking about six months from now to a year," he said. "That's what South By is trying to do — to find the innovators in the music space."