

Startups make their pitch at SXSW competition

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When you've got five minutes to pitch your startup to a panel of judges, every second counts.

So why not start with some backflips?

That was the approach taken Tuesday by San Francisco entrepreneur Maria Ly, whose company, Skimble, offers an iPhone and Web application for tracking sports and fitness activities.

Ly began her presentation at South by Southwest Interactive's business competition with a 30-second exercise routine, including flips and a yoga pose in which she pulled her legs behind her head — while snapping open a phone.

The performance drew applause, but Skimble's business model, which includes charging users \$24.99 a year, spurred questions from judges.

"That's a pretty steep price," said venture investor Chris Sacca, who served as a master of ceremonies during the two-day event at the Austin Hilton downtown. "Will people pay that?"

"Is there any unique intellectual property here?" asked Mark Hindsbo, general manager of developer and platform evangelism at Microsoft Corp.

Ly, who answered yes to both, was a finalist at the second annual Microsoft BizSpark Accelerator, which featured 32 startups showcasing their products and services in front of a live audience and panel of judges made up of seasoned entrepreneurs, venture capitalists and tech industry executives.

Every company got two minutes to present Monday; the list was cut to 12 for Tuesday's final program.

More than 200 companies applied for a spot at Accelerator, which awarded winners in four categories. Winners receive an Xbox video game console from Microsoft, a hard drive from Seagate Technology, and legal and consulting services.

"For a small startup like us, it's an amazing opportunity," Ly said. "These guys are heavy hitters, and getting feedback from them is great."

Judges encouraged Skimble to find ways to set itself apart in its crowded market, in which many startups offer similar exercise-tracking services for free.

Guy Kawasaki, a founder and director of Garage Technology Ventures, which invests in startups, offered advice for Skimble and other startups that are self-funded but plan to raise venture capital.

"When you show up to raise money, you need boatloads of customers showing up to use your service

every day, or you need to have revenue. Ideally, you'd have both. A lot of companies show up with neither," Kawasaki said. "They say, 'Trust us — we'll monetize this.' But you need to be able to prove you can do it."

Two Austin companies made it to Tuesday's finals: GuruStorms.com , a brainstorming site that lets users ask online experts questions. Users offer rewards up to \$5,000 for answers; and Spredfast , which sells Web-based software that helps companies manage their social media efforts by planning, executing and monitoring campaigns across multiple social media outlets, including Facebook, Twitter, LinkedIn and blogging platforms.

Spredfast founder Kenneth Cho said making the finals "was fantastic. It validates your idea with all industry leaders, as well as very highly regarded big thinkers of social media. Getting that endorsement, when they say, 'You guys are on to something' — it's super-exciting."

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SXSW Interactive BizSpark competition winners

Entertainment: ShopSavvy, Dallas; searches for the best local and online prices among more than 20,000 retailers

Innovative Web: Siri, San Jose, Calif.; virtual personal assistant

Personal social media: Bump Technologies, Mountain View, Calif.; allows smart phones to connect by bumping against each other

Business social media: Mobile Roadie, Santa Monica, Calif; lets users create and update smart-phone applications quickly and easily

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