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## 7 Companies Ready For Flight

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As Portland's senior class of software companies eyes exits, a look at the next generation of up-and-comers.

For several years now, Portland's booming software sector has been defined by a handful of high-profile companies. You know their names: Puppet Labs, Elemental Technologies, Act-On Software, Urban Airship, Janrain, Jama Software, Simple and Viewpoint Construction Software.

Collectively, they've garnered hundreds of millions in private capital, they employ thousands of workers and some have experienced a significant exit or are expected too soon. Elemental, for example, was acquired by Amazon Web Services, and Puppet Labs and Act-On Software are both seen as likely IPO candidates.

I've been covering Portland's tech industry for about two years and have become deeply acquainted with this senior class of software companies. But as these established firms plot their exits, the natural question is: Who's next?

Given that a single cohort of companies isn't enough to sustain Portland's thriving tech sector, it's a critical question for the region. If the sector is going to expand — delivering all the economic benefits that come with that — then a sturdy group of younger companies must be in the wings, soaking up the learning from those that came before, absorbing new found wealth generated by exits, and expanding the talent pool.

Fortunately, that class does exist in Portland.

Over the past year, I've been asking investors, entrepreneurs, executives and others within the tech community which startups they believe are best positioned for flight.

To follow are the names that came up again and again. The list is by no means exhaustive. Legal software maker Zapproved and vacation rental platform Vacasa, for instance, are both fast-growing companies that hold huge promise and are worthy of recognition. Neither, though, is on our list.

There's simply not enough space to include every promising technology company. With that in mind, we limited our list to include startups that we believe fall in the under-the-radar category. And behind these companies are even more, check them out here.

As you'll see, they span an array of markets from commercial drones to cloud computing to marketing software.

### Opal Labs

What it does: Opal Labs has created a cloud-based tool that gives marketing teams a unified platform to collaborate, plan and organize all pieces of brand content for a cohesive story and deployment. The platform plugs into existing asset management tools and publishing tools.

Clients: Nestle, Skullcandy, Target, Nike, Airbnb, Starbucks, Burberry, Widen+Kennedy

Founders: Steve Giannini, George Huff, Matt Oxley, David Gorman

Employees: 60

Headquarters: Portland

Investment raised: \$10.1 million

Investors: Madrona Venture Group, InterWest Partners, Oregon Angel Fund, Portland Seed Fund, Seven Peaks Ventures, MMC Ventures.



Why we picked them: Across the board, the one company that seems to be on everyone's watch list is Opal. The company has maintained a low profile in town as it has built its platform. It surfaced twice in 2014 when it landed a seed round and then followed that up with a series A just months later when it wasn't even looking for funds. The team has grown to about 60 with offices in New York and London, in addition to the Portland headquarters. There are 14 open positions listed on the website and, according to the company, it's also trying to fill several higher-level positions. The company has done little marketing and has gained traction through word of mouth among enterprise marketers.

The challenge: Opal started by providing a tool to marketers that helped them streamline social media campaigns. As the company has grown, it has expanded into additional channels including email and websites. Scaling the product and maintaining quality across all channels will be critical as Opal continues to grow.

What investors are saying: Len Jordan, managing director at Madrona Venture Group is impressed with the transparent, collaborative, objective-driven management style of the company and noted it will help meet the challenges that come with scaling. He also said Opal has grown revenue rapidly and is making smart long-term investments.

"Opal is capable of creating and leading an important new category," Jordan said. "They are emerging as the clear leader today and look to extend that lead as they work with important product partners on complementary solutions that deliver value for customers."

## **Cedexis**

What it does: The company's platform helps customers monitor and re-route network traffic so Web properties have the best performance.

Clients: LinkedIn, Microsoft, Mozilla, Nissan, Comcast, Airbus

Founders: Julien Coulon, Marty Kagan

Employees: 55

Headquarters: Portland

Investment raised: \$33 million

Investors: Ginko Ventures, Nokia Growth Partners, Citrix Systems Ventures, Advanced Technology Ventures, Madrona Venture Group



Why we picked them: The company has more than 800 customers and traction with large brands. The technology helps customers maximize Web performance and as video becomes more prevalent the need for

speed becomes more important. The company has been around since 2009 but in 2014 it hired veteran tech executive Scott Grout as CEO. Grout was most recently the CEO of publicly traded Radisys. He has since built an executive team that includes alums of Webtrends, Tripwire and Janrain. To start the year, the company snagged \$22 million from investors.

**The challenge:** Cedexis was an early player in the cloud traffic management space, and its technology is well tested. Now, though, with so much IT infrastructure moving to the cloud, Cedexis' ability to execute its business strategy — sales, marketing and management — is crucial. Part of its latest investment is to beef up sales and marketing and build out its international footprint, especially in Asia.

**What investors are saying:** Len Jordan, managing director at Madrona Venture Group, which initially invested in 2011:

“The company has grown revenue nicely and has built a technically advanced product,” he said. “We believe the market opportunity is big enough to support a substantial independent company and we are investing in the sales and marketing team with that end in mind.”

## Cloudability

**What it does:** The company's platform helps customers monitor how much they are spending on cloud infrastructure and provides analytics to help them make better spending decisions.

**Clients:** Adobe, Uber, Atlassian, Simple, Blackboard and Pega

**Founders:** Mat Ellis, J.R. Storment

**Employees:** 62

**Headquarters:** Portland

**Investment:** \$15.8 million

**Investors:** Foundry Group, Trinity Ventures, Walden Venture Capital, Techstars, Portland Seed Fund, Portland Incubator Experiment, various angels



**Why we picked them:** Cloudability has gained traction with large organizations like Uber and Adobe and has grown to 62 employees. It has also made four acquisitions since last summer. It scooped up the assets of two competitors and made two strategic buys. One was the startup RipFog, founded by Jive alum Dave Hersh. That acquisition delivered some key talent to Cloudability, including its now vice president of engineering Erik Onnen. Onnen was previously lead architect at Urban Airship. Cloudability also acquired San Francisco-based DataHero, which has deepened its business analytics capability. Additionally, Cloudability hired Jive co-founder Bill Lynch to head up the product team.

**The challenge:** Because Cloudability's product centers on the cloud, which remains an emerging market, the biggest hurdle is educating customers on why they need the company's product and the value it can add. Plus, Cloudability must stay ahead of analytics products being introduced by the cloud providers themselves.

**What investors are saying:** Foundry Group initially invested in Cloudability in 2012. Managing Director Jason Mendelson said Foundry's confidence in the management team is evident by its continued support of the company. He expects in the next year the company will continue to advance the product and scale the business.

“They are addressing a big problem that is on its way to becoming a massive problem. Every company in the world will one day buy cloud computing resources and Cloudability is the company that can make sense of it all,” Mendelson said. “The team inspired me as well. Mat and his fellow executives are not only great operators but great human beings.”

## Ruby Receptionists

What it does: Ruby has built a virtual receptionist service that allows small and medium-sized businesses to have a high-quality, full-time receptionist. The company is now expanding its technical capabilities in order to provide a full-range of telecom services to clients.

Clients: Ruby has roughly 5,000 clients nationwide including solo-practicing lawyers and accountants and small businesses without a full-time receptionist.

Founder: Jill Nelson

Employees: 200

Headquarters: Portland

Investment: \$38.8 million

Investors: Udata Partners and Stepstone

Why we picked them: Ruby might be surprising for a tech company list but it's the company's shift to technology that has us watching. Nelson has grown the company year after year and now she wants it to be able to handle a wide range of telecommunications needs for clients. Her goal is for customers to be able to run their whole business using nothing but Ruby and a cell phone.



The challenge: Ruby, which has about 200 employees, is in an expansion phase and faces many of the challenges common to fast-growing companies. Internal processes and infrastructure must scale and providing a new suite of services to clients presents a host of new customer service demands. Plus, as Nelson builds out her engineering staff, she is competing for the same engineering talent of well-known high-growth tech companies in town.

What investors say: Jon Seeber, partner at Udata Partners, is impressed that Ruby's unique culture has remained intact even as its strategic footprint expands.

“Over the course of the next year, I think you'll see some interesting developments from Ruby; along with continued revenue and customer growth, some technical developments will come to market, and some new services will be launched,” Seeber said. “Jill speaks often of making Ruby a ‘business-hold name’ that is a critical component of launching a small business or a solo enterprise. In my opinion, that's an appropriate and achievable goal for Ruby for the next 5 years, and that's what we at Udata are hoping to help them achieve.”

## SheerID

What it does: SheerID's software is used by brands and retailers to verify customer identity in order to offer exclusive discounts to certain populations. For instance, a retailer can quickly verify a customer is a student or member of the military for a student or military personnel discount.

Clients: Microsoft, Amazon, NFL Sunday Ticket, Autodesk, Direct Energy, Footlocker, Spotify

Founders: Jake Weatherly, David Shear, Marci Hansen

Employees: 36

Headquarters: Eugene

Investment: \$18.3 million

Investors: Voyager Capital led a Series A round last fall, but angels previously pumped roughly \$13 million into the company.

Why we picked them: SheerID has been around for six years and has grown through angel investments and revenue. The company has tractions with customers across the spectrum from brands to retailers. The founders wanted to solidify the product before seeking institutional money, and the long list of customers signals that the company achieved that objective. Now that the company has venture investment, it is growing more rapidly. It made four key executive hires, finding alum from Portland companies such as The Clymb and Janrain, and it has opened an office in downtown Portland.

The challenge: The team found an immense customer need in the transaction authentication and management market and now must scale to meet customer demand. Key hires to lead product, sales and finance are expected to help meet the challenge.

What investors are saying: Diane Fraiman, partner at Voyager Capital, expects the company will build out the team and establish its product as the market leader.

“SheerID has the opportunity to deliver the platform that facilitates the connections between attribute data (secure personal data stores), people (digital identity), transactions, and retention across any channel (online, mobile, in-person, over the phone) to both industry and consumers,” she said of the company’s future. “They will be one of the leading Portland tech companies.”



## Skyward

**What it does:** Skyward has developed an online operations management platform for commercial drone operators. The software has real-time information on commercial drone space and any limitations, it allows pilots to log and record flight plans, and acts as a digital system of record.

Partners: Insurers such as Global Aerospace and Capri Insurance manufacturers such as Aerialtronics and Aerial Technology International, and agencies such as NASA

Founders: Jonathan Evans, Marcos Osorno, Eric Ringer, Dana Maher, Steve McKeon, Jake Weber

Employees: 29

Headquarters: Portland



Investment: \$5.8 million

Investors: Voyager Capital, Draper Associates, Founders Co-Op, Norwest Venture Partners, Techstars Ventures, Verizon Ventures

Why we picked them: The commercial drone market is still evolving and regulations are constantly changing but Skyward is well positioned to be an early leader. As the regulations are sorted out and the technology goes mainstream, Skyward has focused on building partnerships with key regulators and other industry players. One of these early partnerships is the Urban Skyways project with NASA, which is designed to be a full demonstration of an operational commercial drone network. The demos will roll out in Las Vegas, Vancouver, BC, London and Portland.

The challenge: Commercial drone use is an emerging space. Up to now, the technology has been deployed mainly by the military. Now businesses such as Skyward are emerging to bring it to civilian use. Skyward must position itself as the expert on regulations and deliver software that wins customers. Competition will be stiff, not only from other startups but from heavy hitters eyeing the drone space including Google, Amazon and military contractors.

What investors are saying: Diane Fraiman, partner at Voyager Capital, said she expects the company to establish its leadership in the space over the next year and within five years become the platform of choice for commercial drone management.

“Skyward (will be) a fully automated network management platform powered by software-defined access to the airspace for aerial robots, much like Verizon provides access to the publicly regulated RF bandwidth for smart phones today,” Fraiman said. “Skyward will be the conduit that truly unlocks the promises of democratized, programmatic access to the airspace.”

## **Mirador Financial**

What it does: Mirador Financial’s online platform can be used by lenders to better determine the risk of a small business loan. The software pulls in traditional and nontraditional data on an applicant from across the Web and then provides lenders with a risk scale on the loan. The company wants to help lenders say “yes” to loans more often and open up more opportunities for small businesses to grow.

Clients: Sno Falls Credit Union, NY Business Development Corporation, Pacific Continental Bank, plus endorsements from the Oregon Bankers Association and the Northwest Credit Union Association

Founders: Trevor Dryer, William Beaver

Employees: 18

Headquarters: Portland

Investment raised: \$9.7 million

Investors: Core Innovation Capital, Crosslink Capital, Collaborative Fund, Jump Capital, Nyca Partners, Vesta Corp, Wicklow Capital

Why we picked them: Financial technology is a hot space and the lending market in particular is being disrupted with new online alternative lenders. Mirador is looking to partner with existing institutions to give them



a technology upgrade. The founding team has a strong background in fintech. CEO Trevor Dryer previously ran mobile payment and point-of-sale operations in Intuit's small business group, and Chief Technology Officer William Beaver previously ran front-end engineering for Datek. Datek was later acquired by TD Ameritrade. Mirador is hiring and expects to employ 30 people by the end of 2016.

The challenge: Mirador must be able to position itself as a partner for lending institutions. The market is full of online lenders trying to displace traditional lenders. Mirador must educate lenders on how it can help them better judge the worthiness of sub \$250,000 loans and help them boost their lending.

What investors are saying: Kathleen Utecht, managing partner at Core Innovation Capital, said it was the founding team's experience and the company's mission to partner with banks that helped attract her attention.

"In the next year, you will see them close some of the biggest banks in the US and will also see them expand into even more credit unions, community and regional banks. The team will add more talented members and you will see additional features and products on their platform," she said. "In five years, I can see them working with most US banks."