

Innovation Growing Strong in Alberta with DataGardens

As more and more emphasis is being placed on diversifying Alberta's economy, savvy startup companies are accessing a growing list of resources to help them successfully commercialize their technology. A great example is DataGardens, a company that may well revolutionize how multi-office companies manage their IT systems on a global basis.

DataGardens was founded less than a year ago in September 2007. Their patent-pending technology, the Wide Area Virtualization Enterprise (WAVE), addresses the challenges of sharing information systems between multiple offices and even between individual users that may be spread around the world. Their hardware product, Syntropy, acts as a "branch office in-a-box," allowing a business to extend many of the data services of its main office out to branch offices.

Geoff Hayward, CEO of DataGardens says their product solves some very fundamental problems for companies with branch offices regardless of their location. "What's exciting about our product is that it helps companies solve some core problems related to giving branch offices access to data, keeping network costs down, and backing up branch office data. Syntropy allows companies to consolidate their IT infrastructure and move virtual computers from office to office, giving branch offices local performance with global consistency."

Less than a year ago, DataGardens was little more than a concept. But in a very short time the company has grown to 12 employees, their product is in Beta-release and they are getting ready to launch pilots with two multinational companies. They expect to be in full marketing mode by their one year anniversary. Hayward says they got there because of the resources they have been able to access within Alberta's growing tech community.

"The first time we talked about the company was at a workshop held by CTI to help us prepare our pitch for Banff Venture Forum," says Hayward. He says the expertise of the entrepreneur in residence with Calgary Technologies Inc. (CTI) and the executive director of Alberta Deal Generator (ADG) was instrumental in helping them rework their presentation which ultimately gained the attention of several venture capital firms at Banff Venture Forum. To date, the company has raised a total of \$2.4 million in financing from various sources.

Hayward says the advice given by CTI and ADG has gone far beyond helping them present to investors. "They helped us make decisions based on business principles. The primary piece of advice that CTI gave us was to abandon our original business model. They gave us information on how to make changes and it paid off. We've gotten a lot more customer traction."



DataGardens Syntropy Node acts as a "branch-office-in-a-box." It can emulate multiple servers and storage systems and synchronize them with peered resources in corporate head office.

Located in Edmonton, DataGardens has also taken advantage of resources a little closer to home. In April, the company won the Fast Growth Award in the TEC Venture-Prize business plan competition, an initiative of TEC Edmonton, and supported by CTI through the semi-finalists' pitch boot camp. They walked away with an award package valued at \$150,000 which includes cash and in-kind support such as prototype development, marketing, legal and accounting services.

According to Hayward, VenturePrize has given them a much needed boost in terms of exposure for their company and they have benefited greatly from the mentoring they received as part of the competition.

"The combined help from TEC Edmonton and CTI with Venture-Prize workshops, and feedback from judges and screeners helped us accelerate our maturity," says Hayward. "Winning VenturePrize has helped us with recruiting, which is the number one problem right now. We're getting more applications from potential employees, and the resumes are from more qualified people. They are excited about DataGardens—they want to be part of the story."

Although DataGardens has gained traction, as with most Alberta-based tech companies, they have faced challenges as well—most notably access to capital and recruiting highly qualified people. "Because our sector is still developing in Alberta, there is a shortage of experienced management, and a shortage of technical people with domain expertise. And the investors don't have much experience in this sector either. It adds up to a lot of challenges."

But, says Hayward, things are improving with the creation of funds like AVAC Ltd's IVAC fund. In April, DataGardens received \$1 million in investment through their Capacity Builder program. "We're in an environment where the government is very supportive in Alberta," Hayward says. "I think IVAC is very effective—they are run more like a venture capital firm than a government agency. They definitely put us through one heck of a due diligence process, which means we're better prepared for our next investors."

Hayward says the help they received has gone a long way to ensuring DataGardens has a strong foundation for going forward. "We need to bring our product to market in September and convert our pilot projects into paying contracts. If we can complete these two goals we should be able to complete a \$7 million round in venture capital financing. We will have built a very strong foundation and it will be a matter of execution from here on in."

FOR MORE INFORMATION ON THESE ORGANIZATIONS VISIT THE FOLLOWING WEB SITES: WWW.DATAGARDENS.COM, WWW.CALGARYTECHNOLOGIES.COM, WWW.TECEDMONTON.COM AND WWW.AVACLTD.COM.