

THE WOMAN BEHIND THE CENTURY'S GREATEST SPORTS DEAL

REGULY HOW THE GREEKS GOT MERKELED

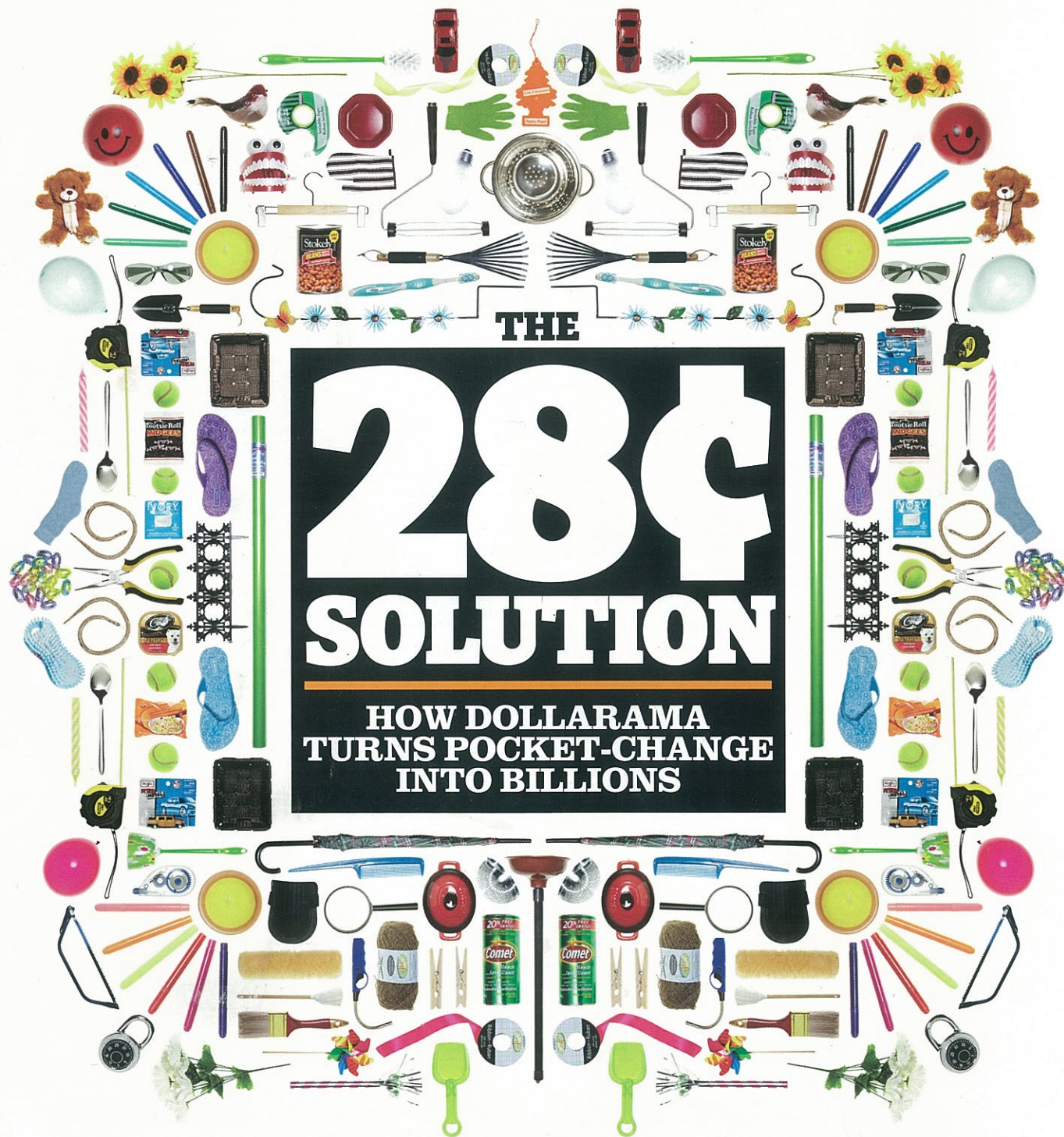
DECLOET SORRY, ALBERTA, YOU'RE GOING TO HATE THIS COLUMN

+ RICHARD PEDDIE, TAX DODGES, GROW-OPONOMICS

NINE START-UPS, NINE BRAVE NEW IDEAS

REPORT ON BUSINESS

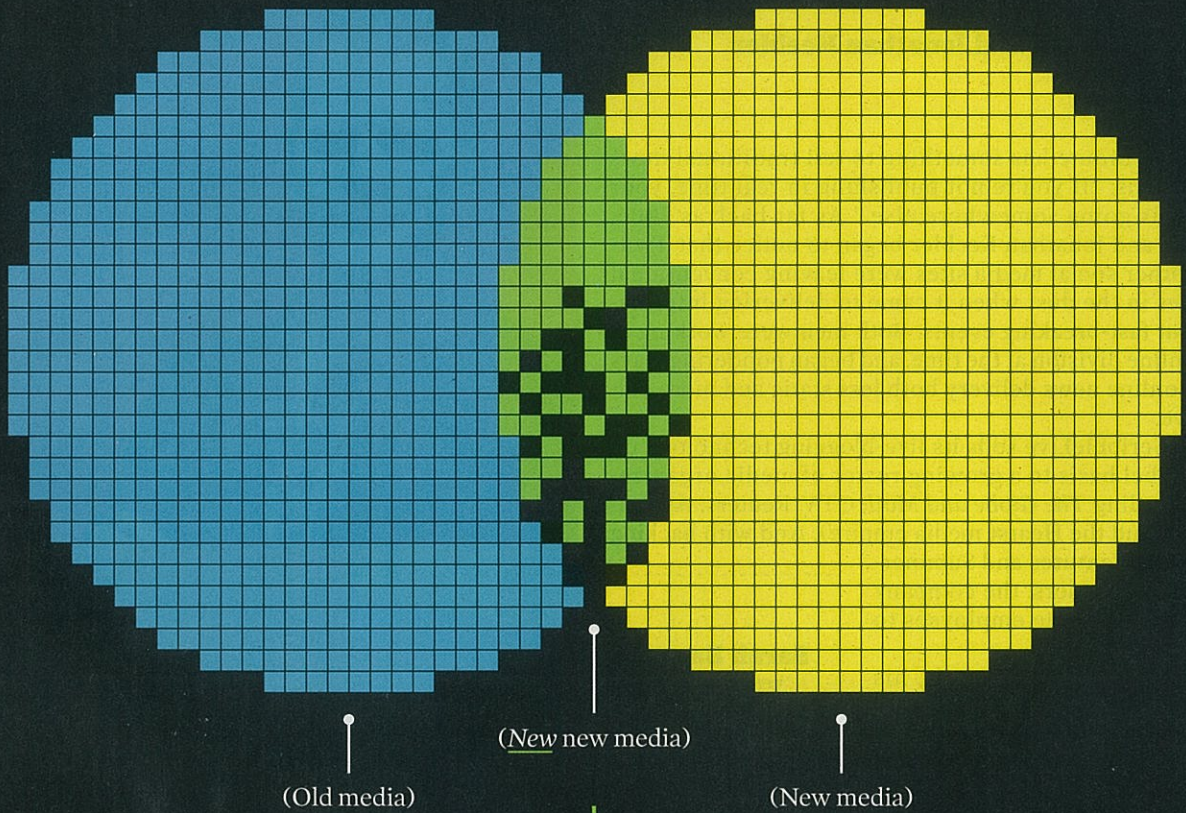
THE GLOBE AND MAIL



BY
DAWN CALLEJA,
JOHN LORINC AND
REMY SCALZA

Nine *new new* media all-stars

DISRUPTORS



THE NEXT EPISODE: We are living in a period of great change. New media pioneers have struck deep at the heart of traditional empires, and ushered in a brave era of social interaction. Fleet-footed titans—Amazon, Google, Facebook, Twitter—have, in just over a decade, established themselves as some of the world's most valuable companies and delivered a monumental summons to their forebears: Inno-

vate or die. But while old and new media tangle for survival, a fresh wave of start-ups has appeared on the horizon, each founded on ideas that could only have existed in a post-social galaxy. Will some of these nine Canadian rebels rise to become the *new new* media establishment, or will they be swallowed by the very companies they have come to disrupt? Either way, a win.

Allen Lau
■ WATTPAD
(TORONTO)

Allen Lau doesn't look, talk or act like the publishing industry's next great kingmaker. The 43-year-old entrepreneur has neither Jeff Bezos's swagger nor the literary airs of a New York editor. But Lau, founder of Wattpad, has built an online community of eight million readers and writers. His site, which allows users to publish their stories online, has been described as the YouTube of writing, though Lau stresses the formula is far more interactive:

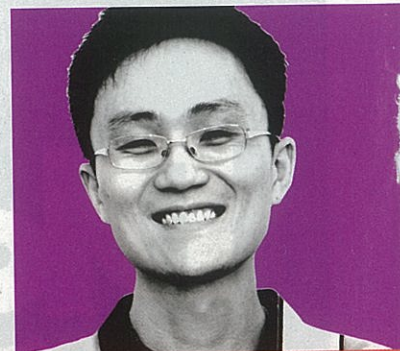
Readers can comment on stories as they're being written. Wattpad users, he says, "socialize a lot." Indeed, with up to 400,000 new stories posted each month, Wattpad has become a massive online literary salon.

The idea for Wattpad came at that ripe moment just before the iPhone and Kindle, and Lau admits that his first version was "a little bit early." But he and co-founder Ivan Yuen stuck it out, raising \$600,000 from angel investors in 2009 and, in September, 2011, a more serious injection of \$3.5 million led by Union Square Ventures, the bright

minds who backed the likes of Twitter and Foursquare. Because it draws impressive numbers of smartphone-wielding readers in our apparently post-literate society, Wattpad has even begun to gain the attention of dead-tree publishers. (At least one Wattpad author has been offered a deal with a six-figure advance.)

Lau allows that the site's most disruptive feature is its ability to attract large audiences to works by authors no one's ever heard of—a trick that has eluded the book industry for years. "No offence to Amazon, but if you look closer, they have only

changed the output format from paper to files," Lau says, politely. "We're re-engineering the entire process by bringing readers and writers together." —**John Lorinc**

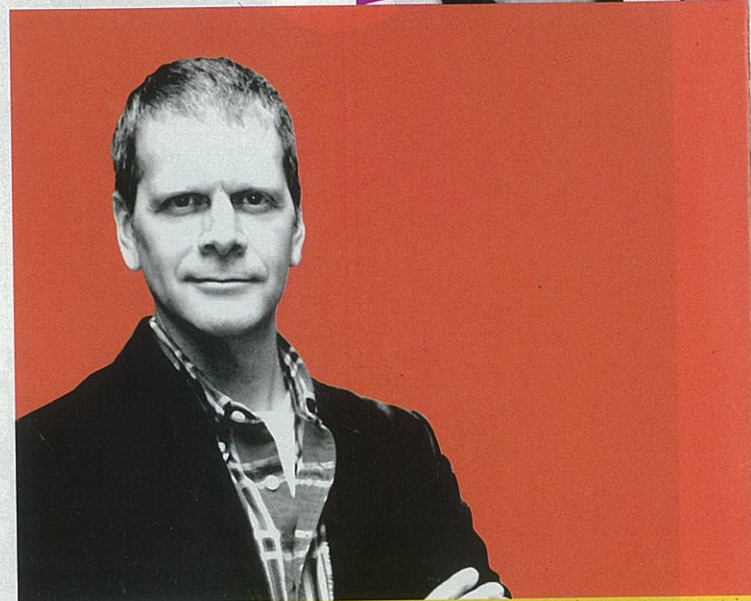


Michael De Monte and Jonathan Keebler
■ SCRIBBLELIVE
(TORONTO)

Michael De Monte has something to tell traditional news organizations: "If you're not publishing in real time, your audience is going somewhere else." As far back as 2006, De Monte and Jonathan Keebler began to notice that Twitter and other social media sites were leaving conventional news sites in the dust when it came to delivering information about fast-breaking events. Both men were working at CTV's online division at the time, and began pondering ways to make online news delivery both less static and more collaborative.

Today, ScribbleLive sells its live-blogging technology on a white-label basis to a growing roster of media organizations (including *The Globe and Mail*, CTV, Reuters, Associated Press and the Hearst media empire). And with backing from Rogers Ventures and Summerhill Venture Partners, the company has grown from nine employees to 24 last year.

The way De Monte sees it, his company's service is designed to disrupt the disruptors, that is, Twitter, Google News and the ubiquitous RSS feeds. "We're empowering publishers who felt they were becoming less and less relevant." —**J.L.**



Sarah Bancroft
■ VITAMIN DAILY
(VANCOUVER)

Like many great notions, the idea for Vitamin Daily took root at a dinner party, recalls Sarah Bancroft, whose network of in-the-know online lifestyle magazines is rewriting the way publications gain and monetize readers. In the mid-2000s, Bancroft was working as the West Coast editor for a Toronto fashion magazine when a PR specialist, Tara Parker Tait, offered a provocative proposal: Build a website that does nothing but curate and disseminate street-smart recommendations on events, cool stores and neat products.

They began small, juggling the venture with their day jobs until the site's word-of-mouth popularity (a mention on one of VD's lists can drive hundreds of customers into a local store) got back to Bancroft's boss. She was given an ultimatum—the site or her job. She chose Vitamin Daily. That was in 2007.

Armed with two rounds of funding from angel investors (whose spouses loved the site), Bancroft and Tait have built a 55,000-strong subscriber list and launched



local versions in Toronto, Calgary and Montreal. The now-profitable company has a staff of 18 and a two-pronged approach to generating revenue and profile: It eschews banner ads in favour of sponsorships ("Our demographic is banner blind," says Bancroft), and makes a point of hiring local editors who bring their own social media followings.

Early on, Bancroft says, advertisers turned them away, dismissing VD as too niche: "Now, we're the 'niche with reach.'" Bancroft tells potential advertisers that it's cheaper to lock in early because the subscriber base has been growing at a rate of 10% a month. —**J.L.**

WHO'S BUYING OUR START-UPS?

- Google → PostRank, PushLife
- RIM → Tungle, Tiny Hippos
- Zynga → Five Mobile, Flock
- Salesforce.com → Rypple, Radian6

ACQUISITIONS BY MONTH

