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Kansas City Business Journal - March 30, 2009  
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## KANSAS CITY BUSINESS JOURNAL

Friday, March 27, 2009

# Spiral16 is ready to spark push to market

Kansas City Business Journal - by [Suzanna Stagemeyer](#) Staff Writer

After spending much of its time planning plays on the sidelines, tech startup **Spiral16 LLC** hopes to make a slam-dunk of a commercial debut.

The Overland Park-based company develops software to help clients tap the marketing research potential of the Internet. Since its founding in May 2007, the company has been fine-tuning its core product and preparing a set of complementary products. In the next two months, the company plans to “aggressively approach the marketplace” with five new products, President David Goode said.

“We wanted to ensure we didn’t jump out into the marketplace and start making all kinds of sales before the software platform was fully built out and ready to take on that sort of scale,” he said.

The core product, Spark, monitors, measures and analyzes digital content, seeking the most relevant online information, sentiment and influence points related to a specific area of interest for a brand, ad agency, public relations firm or other client. It translates the information into visual, easily digestible chunks. Spiral16 employees throughout the country review results for accuracy and relevance.

Spark creates about 345 topic studies each month, which are constantly updated on a dashboard clients can access online.

The new products, all to be used in conjunction with Spark and compatible with one another, can be used to incorporate additional sources of data — such as a company’s sales figures, inventory records, stock price fluctuations and metrics of its individual online properties — to provide added layers of comprehension.

“We don’t just track what’s being said about a brand in digital space over time, but we marry that up with other data sets which may be proprietary to an organization,” Goode said. “Then they can adapt ... business processes in conjunction with that, almost like a thermostat.”



Dave Kaup | KCBJ

David Goode, president of Spiral16, which researches and compiles brand perception information for its clients, says the company is ready with five new products.

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Amy Martin, director of digital media and research for the **Phoenix Suns**, is charged with expanding the team's media platform. Her efforts have included creating a mobile Web site for the Suns, a social network for fans and a virtual locker room tour with hundreds of links that may include sponsors' coupons or brand sites. To help make seemingly intangible responses measurable, Martin signed on as one of Spiral16's first clients.

The information allows her to make adjustments based on fan feedback and show sponsors how users react to the marketing, going beyond traditional metrics such as clicks and page visits.

"It's really evolved my ability to show value and results for marketing partners in a nontraditional way," she said. "It's taking something that was intangible and actually making it accessible. ... When you can actually show what viral power looks like, it's easier for a marketer to buy into the concept."

Spiral16, which roughly doubled its work force from spring to fall of 2008, expects to reach profitability this year on revenue of nearly \$2 million and to bring in 2010 revenue of \$5 million. Most of its 25-member staff works in technology development, but as the company adds clients, it will add accounting and back-office staff, Goode said.

"By being a relatively small and nimble organization in the Midwest with a relatively low burn rate, it provides us, I believe, with a great opportunity to continue building out our offering and client base in a way that we'll be perfectly positioned, as the economy begins to strengthen, to take off even further," Goode said.

Although the fourth quarter caused some paralysis in the business world, slowing down sales, he said, business has exploded in 2009.

"In difficult economic times, it's even more important to make sure that the organization doesn't lose current customers and that it's doing everything it can to gain new ones," Goode said.

Spiral16 has raised about \$1.7 million in seed capital and expects to close on an additional \$1.5 million within 45 days. The money will enable it to continue its perpetual product enhancements, beef up its two-member sales force and add satellite offices throughout the country.

In the next three months, Spiral16 expects to open a second office in Seattle.

A report released this month by **The Conference Board**, a nonprofit business research organization, said most companies aren't paying enough attention to social media, despite their growing influence.

Of a survey of 148 risk management executives, 34 percent said they extensively monitor social media sites, and 10 percent actively participate in them. Yet 81 percent said managing reputation risk had become a rising focus during the past three years.

Media monitoring has been advancing, and companies are working to quantify how much reputation affects share price.

“Reputation has been kind of like the weather,” said Ellen Hexter, director of enterprise risk management for The Conference Board. “People will talk about it and do nothing about it. Part of that is, people haven’t really known what to do.”

Justin Graves, CEO of **Infegy**, which also operates in the category, said social media monitoring seems to be a growing space as advertising budgets shift. Infegy, founded in early 2007 and based in Kansas City, started aggressively pursuing sales in late 2008 and has neared sustainable profitability.

The strongest interest so far has been from ad agencies and public relations firms, but the economy creates some challenges.

“There’s a lot of shift and push toward this area,” Graves said. “People are still cutting budgets, and this is a new technology ... from relatively small companies. It can be hard to get companies to allocate budgets to this.”

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