



HeyStaks in the market for early-stage funding next year

By Dermot Corrigan

Dublin start-up HeyStaks hopes to raise funding to enable early-stage growth within the next 12 months.

The company was last week named overall winner of UCD's Sussed! competition for entrepreneurial campus spin-outs, taking home €5,000 in prize money.

"We have not yet taken any venture capital or angel funding, but we are preparing for a funding round in early 2010," said HeyStaks co-founder Maurice Coyle.

"We will also need to bring in a CEO with experience of our revenue model, which is focused on growth rather than revenue for the first two to three years. We need to take on enough funding for that period of time to allow us to get to a viral growth level."

Coyle said he, and HeyStak's other founder, Peter Briggs, would use the Sussed! prize money to fine-tune the company's suite of online tools, which enable internet users to share and organise internet searches.

The company has already secured some funding under Eircom's €100,000 Web Innovation Fund. It plans to ready itself for possible acquisition by a global technology giant.

"When you are taking on VC funding, acquisition is one of the primary exits," Coyle said.

"Our offering would be an acquisition target for either a major search engine, probably the second or third player rather than Google, or a social networking site with the kind of user base of Facebook or MySpace. That would be our expectation."

Coyle said the venture had arisen out of a research project in UCD's Clarity Centre for Sensor Web Technologies.

"We always had an eye on turning the research into a viable business. The main problem with search is organising and searching search experiences. We put in the years until we stumbled upon the key differentiators that we could bring to the market," he said.

Coyle and Briggs enrolled in the NovaUCD campus company development programme in 2007 to develop the idea further.

"As computer science graduates, the business side of things was new to us. The NovaUCD programme gave us a good basis in running a business," he said.

"We learned about account-

ing, legal matters, hiring and we came out of that with a draft business plan, which we have firmed up over the last 18 months."

HeyStaks' basic service is available to users free of charge. "For individual users, we will be offering upgraded subscription-based accounts, which means you can have stacks of unlimited size and access to reporting and admin tools," said Coyle.

"For enterprises, and organisations such as universities, we will be offering a licensing model so they can create networks and pay per user per month."

HeyStaks has no direct competitors in the market, according to Coyle. "The competition mainly comes from social bookmarking services such as delicious and Xmarks or browser add-ons like Stumbleupon," he said.

"However, social bookmarking tools tend to lack third-party search integration or the topic segmentation HeyStaks offers.

"The other search offerings are not social in that you cannot share with your friends. Thus far, no one has released anything that compares on all fronts."

Company:
HeyStaks

Sector: online

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Maurice Coyle and Peter Briggs, founders, HeyStaks

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