



David Li, president of SparkMatrix in the boardroom at his company's headquarters located in the Accelerator Centre at the University of Waterloo.  
*Photo by Stephen Uhraney*

By JAN DEAN

With a mantra of "Go big or go home", moving in to the Accelerator Building was the only logical move for SparkMatrix according to co-founder David Li. The company founded in 2003 could have found other offices, but no way could they have found a place that offered the networking and financial possibilities of the Accelerator Centre.

SparkMatrix is the seventh company to move into the Accelerator Centre (AC) that officially opened in May of 2006. Bobbi Holte, director of client programs for the AC in the University of Waterloo Research & Technology Park says that puts the building at 80 per cent occupancy and they expect it to be

full by the end of this year.

The AC offers companies that have passed the first hurdles of developing a business plan and finding start-up money and have met the AC's criteria, office space next door to the University of Waterloo and access to programs and networking opportunities that enhance these companies' abilities to find financing and growth opportunities.

It helps enormously that Communitech has moved its offices into the AC. Holte says, "there's no formal merger with Communitech, but there is a lot of back and forth between us so we're not duplicating services. And IRAP and the OCE (Ontario Centres of Excellence) are here."

Holte says AC staff, "shoulder a lot of responsibility so resident businesses can focus

on their business instead of ancillary issues."

The AC is attracting businesses from way beyond the university. One re-insurance company from Bermuda is moving into the AC. The company has no Canadian ties, and chose the AC because of its proximity to the University of Waterloo and the wealth of local brainpower.

For the many businesses that either aren't ready to make the move into the AC or cannot yet meet the criteria, Holte says they run a non-resident program that requires clients to pay a monthly fee for access to facilities and programs. The next step is to offer virtual programming online similar to MaRS. Cont. on page 2

## High-tech firms continue to 'Spark' growth at Accelerator Centre

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Li says all that is true, but the AC has a tremendous chemistry and sense of community that he can't imagine finding anywhere else. "We can comfortably discuss things with our neighbours in the building who might be facing similar problems," says Li. "That's quite helpful."

And while Li says the physical space is outstanding and easy to adapt to a company's particular needs, "the most important part is the vibe in the AC."

SparkMatrix was founded in 2003 by Li (then in his last year of a co-op computer science and economics program at the UW); Marc Morin, an accomplished entrepreneur who had already founded two successful companies: Sandvine Inc., and Pixstream (which he sold to Cisco for millions). The breakdown of responsibilities puts She in charge of developing technology and Morin as the money man, while Li does the day-to-day work.

The company started out offering shared Internet access and voice over IP services to landlords and management companies.

Instead of having residents of a building buy their Internet and phone services from outside, the management company could make a profit by offering those services.

Now SparkMatrix is setting up a new arm of service that automates property management. It's an online system that allows tenants to pay rent online and submit requests online. For the property owner/management company, it offers the chance to monitor tenant satisfaction, and the employment performance of building superintendents and staff. Li says, "it allows the owner the ability to real-time monitor what's going on and benchmark performance".

"A lot of tenants get pissed off with service but they can't complain to head office. The owner only finds out there's a problem when vacancy rates go up and by then it's too late. This gives managements the chance to know whether vacancy rates are because of market conditions or because of problems they can fix."

Li says there is a lot of management software on the market, but SparkMatrix is unique because it bridges property owners/management with tenants and main-

tenance people.

The possibilities are off the charts for this new software system. Consider: the residential rental market is worth half a trillion dollars in the North American market, and even targeting a very small part of that market could mean big bucks for SparkMatrix.

Moving into the AC is a step bringing the company closer to achieving its goals. Li says, "we see our rent at the AC as an investment. The collaborative feel and the access to capital are more than worth it. Right now we're looking for a first round of funding to complete our new platform and catapult us to the next level."

Currently SparkMatrix has six developers, four sales people, and the three co-founders are the executives in charge. The company already has a digital communication project with Wilfrid Laurier University, and has a contract to provide their property management automation platform to University of Waterloo Off-Campus Housing. SparkMatrix is ready to take the next growth steps and Li says they are in exactly the right place to do that.

Li attended high school in Europe and

tried a semester at New York University before deciding to attend the University of Waterloo. He had no idea of the entrepreneurial wealth in this region. "This city surprises me," says Li. "Seeing is believing. A lot of the younger generation have doubts about starting a business, but when you see Research In Motion in the next building, you begin to believe it's possible. Then there are all the programs and opportunities, like Entrepreneur Boot Camp that was part of Entrepreneur Week run by Communitech. I've been in Waterloo for five years and that's given me a level of confidence I don't think I would have anywhere else."

The experience gave Li the courage to turn down job offers from IBM and GE Capital – to his mother's consternation – and take his shot at starting a company.

Li expects SparkMatrix will stay at the AC for the next year or two, and then says the company will stay close.

"We want to always locate our technical department close to UW – we'll probably rent inside the Research and Technology Park.