

Clockwise from far left: Mailchimp offices; Inductees of the Technology Hall of Fame of Georgia; AirWatch; First Data; Suniva solar installation; First Data.

# INNOVATION CITY



Technology is fast becoming Atlanta's biggest business. **By Coleman Wood**

**A**T&T Mobility president and CEO Ralph de la Vega sits in the conference room at his company's headquarters in Atlanta's posh Buckhead neighborhood, yet he's still very much connected to his home 20 miles away. "This is actually my house," de la Vega says. "I'm looking at the cameras through my iPad. This is the back yard, this is the driveway and this is the front door."

After using his tablet to open live video feeds from each of his security cameras, de la Vega checks his carbon monoxide detectors and his door locks. "If I touch this button, I can unlock and lock my door."

He's demonstrating the newest innovation developed at AT&T Mobility's Atlanta headquarters: Digital Life. To say it's a home security system is like calling an iPhone simply a phone. Digital Life provides completely wireless home security monitoring but also building automation technology that allows homeowners to open garage doors, control their thermostats and even monitor water pressure in their home remotely.

"It brings tremendous value and functionality to a part of the industry that was not moving fast in terms of wireless capabilities," de la Vega says. "I think we've really taken it to another level." Digital Life is only the beginning for AT&T Mobility. The company

has partnered with Panasonic Automotive Systems to develop "connected car" technology (Panasonic has an Atlanta research and development center on the campus of the Georgia Institute of Technology) and also launched a separate unit charged with nurturing partnerships with tech start-ups.

Innovations happen every day in Atlanta, even as the region's high-flying technology industry somehow remains under the national radar. The Technology Association of Georgia estimates that the tech sector contributes \$113.1 billion to the economy—or 17 percent of the state's gross domestic product. In 2012, approximately 19,000 technology companies employed 253,000 Georgians.

"Technology is going to be one of the top areas driving jobs and economic growth moving forward," says Tino Mantella, president and CEO of TAG, who notes that technology has generated almost 16,000 new jobs in the state in the past two years, leading all other sectors in job creation.

TAG's 20,000 members and more than 200 annual events make it one of the largest and most active technology trade associations in North America. The Atlanta metro is where much of the growth is happening. The city was wired for fiber while Bellsouth was headquartered in town, and AT&T made sure Atlanta was one of the first major markets

with a 4G wireless network. Graduates of the region's many top-notch universities, including Georgia Tech and Emory University, ensure that there's a steady supply of talent.

## Mobility and Financial Tech Leader

It's not hard to find tech success stories in Atlanta. One of the biggest is AirWatch.

Alan Dabbieri and John Marshall have steered the company from a two-person start-up that secured Wi-Fi at Panera Bread restaurants to the largest mobile security software provider in the industry. AirWatch secures and manages mobile devices for more than 7,000 customers and has experienced much of its growth in the past three years, growing from 100 to 1,300 employees since 2010 thanks to mobile manufacturers adding management capabilities to their operating systems and consumer devices becoming more common in the workplace.

The company's growth reflects Atlanta's growth as a mobility hub. Mobility companies employ 24,000 Georgians—the fifth-highest in the nation. "When you look at mobility device management, Atlanta is historically the mecca," says Dabbieri, AirWatch's chairman.

In January, AirWatch announced plans to hire an additional 800 employees by the end of the year to keep up with demand. It is also attracting the interest of the investment community, having recently raised \$200 million. Dabbieri is adamant that his company could only have achieved its present level of success

in Atlanta. He would know. Prior to coming onboard at AirWatch, he founded Manhattan Associates, a logistics and supply chain management software company that experienced tremendous growth after relocating from California to Atlanta in 1995.

"Atlanta is probably one of the best-kept secrets in technology when you think about all of the Fortune 500 companies that are here and our really strong software industry," Dabbieri says.

The region is a giant in the financial payments industry. An estimated two-thirds of payment card transactions worldwide are processed by Georgia-based companies. The state is home to four of the top-20 companies in *American Banker's* FinTech 100; three of those companies are located in metro Atlanta.

First Data (No. 7 on the list) was founded more than 40 years ago but is a relatively recent addition to Atlanta, having relocated from Denver in 2009. The company processed \$1.7 billion in global transactions last year and routinely ranks as one of the top payment processors in the world.

"Mobility is starting to change the way that consumers are making payments and merchants are taking payments," said Ray Winborne, CFO of First Data. "They expect the buying experience to be consistent and connected across time and location. It needs to be integrated anywhere you are."

First Data has prepared for the future of payments processing with a new 10,000-square-foot Learning & Innovation Center on the first floor of its headquarters. The facility, which features interactive learning labs, product and technology showcases and breakout areas, is designed to provide First Data's employees, clients and business partners with hands-on experience with future financial technology.

"When you walk into this space, you feel like you're walking into Google or Apple," Winborne says. "It's really high-tech and takes your breath away a little bit. It's a place where you can learn."

Last year, First Data launched an Innovation Lab, where more than 25 full-time employees put the company's new technology through the wringer to test it in every industry imaginable. "Customers expect us to be looking at the future of payments for them, and we are doing that by viewing this industry with fresh eyes and an entrepreneurial spirit," Winborne says.

### DID YOU KNOW?

Solar cell manufacturer Suniva of Norcross, Georgia, was named Renewable Energy Exporter of the Year by the U.S. Export-Import Bank less than three years after its founding.

### DID YOU KNOW?

Atlanta was a top-10 city for private technology company acquisitions in 2012, according to PrivCo.

PHOTOS: BYTEGRAPH CREATIONS (GTA); RANKSTUDIOS (FIRST DATA).

## Michael Tavani

Co-founder and head of product, Scoutmob



Scoutmob launched in Atlanta in 2010, offering a curated selection of daily deals, locally made products and services by local merchants, plus intel on cool events through its website and mobile application. It's now in 13 cities.

### What are your Atlanta roots?

My family moved here the month before I was born, and I've been here ever since. I currently live in Brookhaven.

### How did Scoutmob start?

After moving on from an unsuccessful concept called SkyBlox, Dave Payne and I had three months left before we had to get real jobs. We convinced a friend of a friend to invest in what would become Scoutmob.

### Why does Atlanta attract so many entrepreneurs?

Atlanta is a frictionless city for start-ups, and the talent base is as good as anywhere.

### What Atlanta innovators do you admire?

I admire Mailchimp the most because they are a business-to-business company that made B2B fun. Others include restaurateur Ford Fry, filmmaker Blake Williams and graphic designer Alvin Diec.

### What places in Atlanta inspire you?

I love the whole Westside area. We practically launched Scoutmob at the coffeehouse Octane. The Optimist restaurant is another one.

### Scoutmob prides itself on uncovering hidden gems in the city. What is your hidden gem?

Elliott Street Deli & Pub, near our original office in Castleberry Hill. The turkey Slawich is the best sandwich in Atlanta. —C. W.

### Nurturing the Next Generation

No doubt one of the reasons there's such a solid foundation of industry-leading companies in mobility, financial technology, life sciences and health care information technology working in the Atlanta region is because of the rich start-up community.

The University of Georgia and Georgia State University both have technology incubators, but the star in the region is Georgia Tech—a university that's known for its top-five engineering program but also for helping launch new businesses.

In 1980, Georgia Tech opened the Advanced Technology Development Center, the first university-affiliated technology business incubator in the country. Since then, ATDC has graduated more than 150 companies.

*Forbes* named it one of "12 Business Incubators that Are Changing the World." Three of its biggest success stories are Internet service provider Mindspring, medical device company CardioMEMS and solar tech manufacturer Suniva. Surprisingly, the majority of start-ups ATDC assists are not started at the university.

"Even though only 15 percent of our companies are coming out of Georgia Tech, 100 percent of our companies want to be near Georgia Tech," says Stephen Fleming, vice president of Georgia Tech's Enterprise Innovation Institute. "They want access to our students, they want access to our professors, they want access to our laboratories and they want access to our relationships."

Also nurturing the next generation of tech innovators: Atlanta-based Cox Enterprises,

which recently announced that it was investing \$250 million to develop cutting-edge technology companies.

The initiative is headed by Cox board member Tripp Rackley, and it has already put its money behind Experience, a mobile app that allows attendees at sports events and concerts to upgrade their tickets via their smartphone while they're inside a venue.

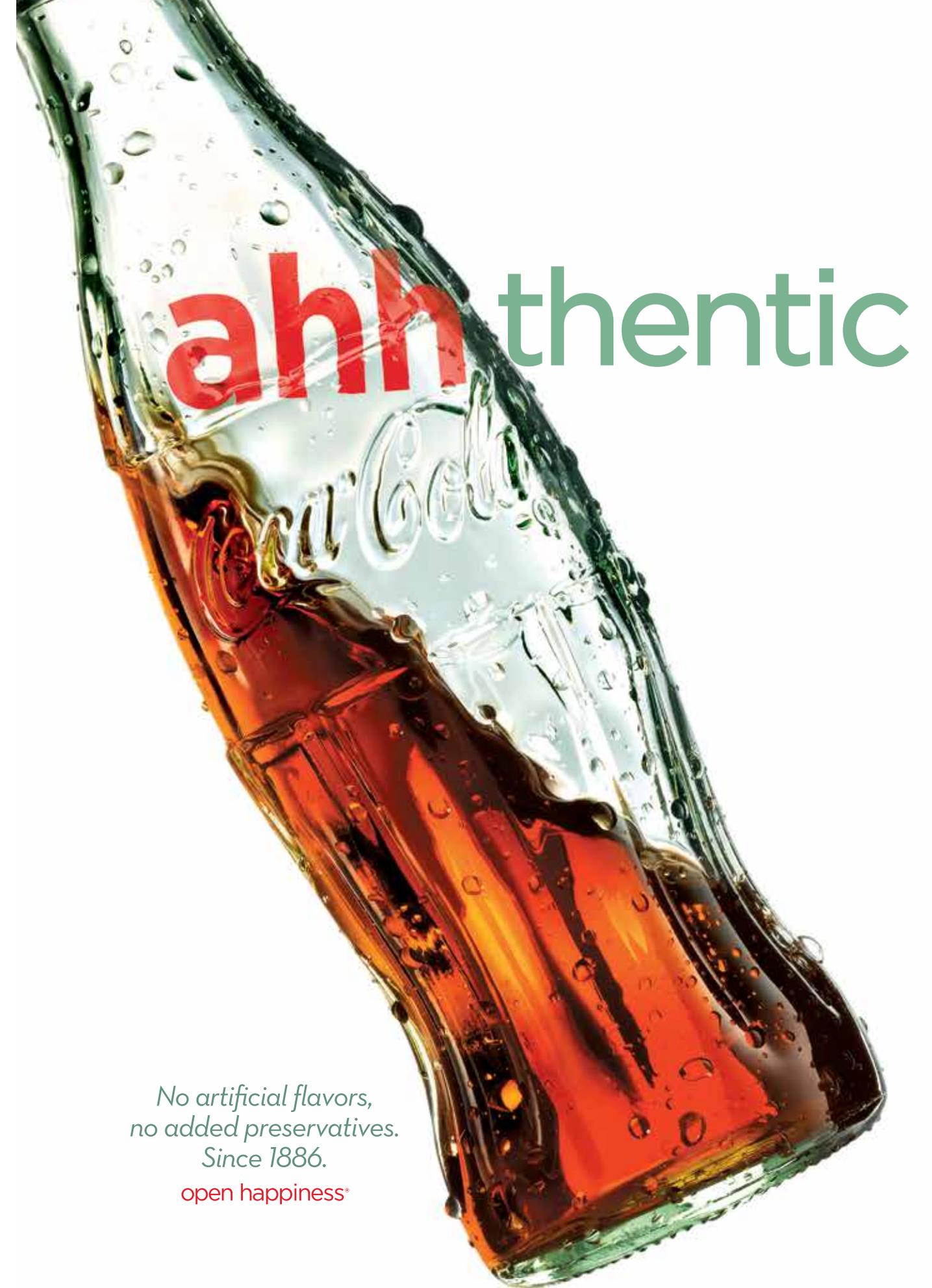
"It's an example of a product that adds value for fans as they go to sports venues and music venues," says Cox COO John Dyer.

The City of Atlanta has likewise thrown its hat into the start-up ring. Last summer, Invest Atlanta, the city's economic development arm, launched Startup Atlanta, envisioning an "incubator without walls" in which start-ups of all types from all over the metro receive assistance getting their ideas off the ground. "The more incubators, the better because incubators and accelerators increase the chances for success for businesses," says Brian McGowan, president and CEO of Invest Atlanta.

Startup Atlanta has already completed one major project with the launch of an interactive map on its website that shows metro Atlanta's incubators and accelerators, start-ups and capital sources. The goals of the initiative include connecting Atlanta's corporations with entrepreneurs as well as connecting Atlanta's entrepreneurs with angel and venture capital funding. The latter has been a long-term goal for Atlanta's busi-

#### BRAGGING RIGHTS

*PC World* named Atlanta the second-most tech-friendly city in the country.



No artificial flavors,  
no added preservatives.  
Since 1886.

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AirWatch headquarters

INNOVATOR //

## Ben Chestnut

Co-founder and CEO, Mailchimp



Email marketing solutions company Mailchimp serves more than 3 million users sending 5 billion emails a month. The company has personality, often linking to funny YouTube videos and sending chimp-themed hats and T-shirts to users.

### How did Mailchimp start?

We started as The Rocket Science Group, a consulting firm that helped advertising and creative agencies with nerdy stuff like databases and back-end Web development. Atlanta is home to an amazing number of creative and interactive agencies that feed off the major brands here.

### What does Atlanta have that other cities don't?

You can go to Thumbs Up Diner and see start-up geeks mingling with the rap industry. Creative environments need the occasional opportunity for the serendipitous collision of ideas, and Atlanta provides that.

### Where can we find you when you're not working?

Road Atlanta. That glorious racetrack is wonderfully perilous, with its high-speed straights and counterintuitive turns that sneak up on you just when you think you have the track mastered. It does wonders for clearing the mind. —C. W.

As long as you are not building a company that is huge or is capital-intensive, you can do it here, build traction and then raise money."

By all accounts, the future looks bright for companies such as Mailchimp, Scoutmob and others in Atlanta's tech sector. The daily headlines are full of companies that are investing big in the region.

CBS recently opened a software services center in the north Atlanta suburb of Sandy Springs that created 100 information technology jobs. In January, General Motors announced plans to open a \$26 million technology development center in Roswell that will employ more than 1,000 people. Atlanta-based financial technology company Elavon, a subsidiary of Minneapolis-based U.S. Bank, plans to invest in a multimillion-dollar mobile innovation center in Atlanta, and Twitter recently tripled its downtown Atlanta data center presence with the leasing of an additional 100,000 square feet.

If TAG's Mantella has anything to do with it, this upward trajectory will continue for the foreseeable future. "We are going to continue to communicate what Georgia is doing in technology because if people think about Georgia we want them to think about technology," he says. //

ness community. Georgia companies received \$264.76 million in venture capital funding in 2012, or 1 percent of the total venture capital invested nationwide. The state continues to attract more investment dollars than its neighbors, but it still has ground to make up.

"We are absolutely behind where we should be in terms of locally managed venture capital funds," says Fleming, who before coming to the ATDC worked as a venture capital investor in Atlanta. "We are trying public policy and tax incentives and we're trying to set up a state venture capital fund as a lead investor. There is not a silver bullet for this problem, but we are trying a lot of different things to fix it." The good news:

#### DID YOU KNOW?

Atlanta is among the top 10 in activations per capita of Square's payment processing reader. The company opened an office in Atlanta this spring.

This year Georgia renewed its three-year-old angel investor tax credit, which provides up to \$50,000 annually for investors in qualified Georgia-based start-ups. According to angel investor Knox Massey, 121 companies applied for the tax credit in 2011 and 2012, and applications were up 30 percent for the first quarter of 2013. Other welcome news: The recently created Invest Georgia Fund, a state-sponsored venture capital fund.

"The biggest knock on Atlanta from a start-up perspective is raising money," says Michael Tavani, co-founder of the daily deal company Scoutmob. "It's really hard to raise money here, but I would argue that there are a lot of examples of companies here that didn't raise any money, like Mailchimp.

ENTREPRENEURS //

## START-UPS WELCOME

A few of the many organizations supporting Atlanta's next generation of innovators.

### STARTUP ATLANTA

Invest Atlanta launched this business "incubator without walls" to support the entrepreneurial ecosystem and spur greater economic activity among start-ups. Entrepreneurs from all over metro Atlanta receive assistance with business plans, angel and venture capital and nonconventional financing and networking.

### VENTURE ATLANTA

In 2012, more than 700 attended this annual event put on by the Atlanta CEO Council, Metro Atlanta Chamber and the Technology Association of Georgia to connect Georgia entrepreneurs with bankers, venture capitalists and



Georgia Technology Summit

and to government, academic and nonprofit groups that support entrepreneurs. It's free for presenters and affordable for everyone else. Attendees often pair off for lunch at local restaurants or at nearby food trucks.

### STARTUP CHICKS

Founded in 2009, this group helps connect and grow Atlanta's community of female entrepreneurs through monthly meetings, quarterly networking events, an annual pitch competition and a business accelerator program.

### STARTUP RIOT

These all-day networking events give 30 start-ups three minutes each to present their company to potential investors

angel investors. Since 2002, it has assisted companies in raising more than \$1.1 billion.

### ATLANTA TECH VILLAGE

A "community center" for tech and tech-related companies, this Buckhead facility offers a variety of office configurations for small companies, including suites and coworking space. Renovations are under way to add a large event space, training labs, conference rooms, a coffee shop and a gym.

### ATLANTA TECHNOLOGY ANGELS

This network of 125 accredited investors and sponsors invests in and provides postdeal stewardship to early stage tech companies in the Southeast. It has deployed \$4.5 million in capital, \$1.9 million in the first six months of 2013. —C. W.

# CONNECTING TO ATLANTA AND THE WORLD

In the heart of downtown Atlanta, Georgia State University offers students a world of professional and internship opportunities just blocks from campus as well as access to civic, business and policy leaders around the globe. **Learn more at [www.gsu.edu](http://www.gsu.edu).**



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