

FINANCIAL

SMALL BUSINESS

Losing one company leads to another

LESSONS IN FAILURE

BY MATT HARTLEY

Sarah Prevette knows what it feels like when the walls seem to be closing in.

Like so many other entrepreneurs, she started with a simple idea for a Web-based company, one she believed had limitless potential and that she hoped might one day land her on the cover of *Wired Magazine*.

The company, conceived in 2006, was called Upinion, and it was a sort of social-networking site where tech-savvy teens and tweens could congregate to share viral videos, online photos and chat about anything related to pop-culture and adolescence.

Unfortunately, it tanked, making her intimately familiar with failure.

Now, she's hoping her latest venture will help other companies learn from her mistakes. Today, Sprouter Inc., her new company, will step out from the shadows of its private beta for its public launch, carrying with it significant buzz from the Canadian tech startup community.

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Designed to be an online social-networking tool for entrepreneurs looking to connect with other startups to network, collaborate and share ideas, Sprouter aims to help other entrepreneurs avoid the same fate as Upinion.

"There is something intrinsically painful about failure," Ms. Prevette said.

"There's an incredible vulnerability that comes with building your own business and nobody tells you this. I had this big failure sitting behind me and I kept wondering what could I have done differently... and it came down to the network. I didn't have a network, I didn't know the right people."

If Facebook is a place where users connect with people they already know, LinkedIn is an online rolodex and Twitter is a place to build a brand while engaging in ongoing conversations, Sprouter is designed to filter out the noise of the rest of the social-networking world to allow entrepreneurs a dedicated place to get help with what's causing them consternation.

Users create a profile and can decide how they would like to connect with others in the startup community. Someone might be interested in meeting other Web developers in Toronto or Montreal, while another might be more interested in connecting with people in a particular industry, such as mobile application development.

Once they're set up, Sprouter allows users to follow various topics and engage in different discussion forums. For example, someone could post a request for help with search engine optimization in the hopes that someone in the community has experience in that arena.

The idea, Ms. Prevette said, is users will sign up in the hopes that



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Sarah Prevette's failed site for adolescents sowed the seeds for Sprouter, a site that brings together entrepreneurs to share their experiences and learn from each other.

the collective wisdom of the group will be there to help them out when they have their own questions, and so they can use their own experiences to help other entrepreneurs.

Of course, the question remains: If sites like Twitter, which already has millions of users, are still trying to figure out how to turn those numbers into revenue, what makes Sprouter think it can turn a profit with a smaller, niche user base?

Right now, all funding models are on the table, Ms. Prevette said. Because Sprouter is angel-funded, it has given Ms. Prevette and her team a chance to build the site's user base before they worry about how to make money from it. She and her team have spent more than a year meeting with entrepreneurs, holding semi-regular networking gatherings — known as "Sprout Ups" — and attending technology conferences around the world.

Ms. Prevette said she envisions the company employing a so-called "freemium" model where Sprouter is free for entrepreneurs, and that the company will instead try to generate revenue through partnerships with venture funding agencies or small business associations looking to engage their members on a more direct level.

Aaron Kaufman runs the event planning firm 5th Element Events in Toronto and was one of the first Sprouter users, joining the community when it was still known by its original name, RedWire.

"It's neat to have the opportunity to connect with like-minded people so that you know most, if not all, of the people on the service are

actually into similar interests and businesses," he said. "As opposed to Twitter where you have to go out and actively search to find that stuff. Here the service does that for you."

Mr. Kaufman said he's been impressed with the way Ms. Prevette and her community manager, Erin Bury, take a hands-on approach to managing the Sprouter community, often going out of their way to connect startups they believe can learn from one another.

He often uses Sprouter's community as a sounding board for new ideas with his company before he takes them to his clients. "Especially because most entrepreneurs and smaller business owners don't have a team of 100 people sitting in a boardroom, it instantly becomes your boardroom of people," he said.

With her startup aimed at helping other startups, Ms. Prevette hopes that through collaboration and proper networking, Sprouter can buck the trend of a lingering perception of the Canadian tech startup community: that second chances are hard to come by.

"I'm hoping that as we get more visibility for some of these incredible entrepreneurs in Canada we can encourage people to see that these people who are innovative, of course they're going to fail," she said.

"Everybody fails, and you should strive to fail as quickly as possible and understand that it's a constant evolution. Hopefully we can change that perception that failure is bad."

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