

Week 3: 25 Startups to Watch

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It's getting crowded on the Web 2.0 frontier, but there are still some startups that truly stand out. Business 2.0 Magazine identifies the ones most likely to strike gold in 2007.

<http://money.cnn.com/galleries/2007/biz2/0702/gallery.nextnet.biz2/index.html>

On the discussion board answer the following:

- 1) Why are so many of these companies that have yet to generate any revenue on the 25 Startups to Watch list?**
- 2) What are the biggest challenges facing many of these businesses?**
- 3) If you could start an e-business what would it be?**

As always, you are encourage to respond to other's postings.

Why are so many of these companies that have yet to generate any revenue on the 25 Startups to Watch list?

Because of their *<i>potential</i>* to become the next big thing. These are companies that share many characteristics with some of the biggest hit websites online today: Web 2.0 architecture that allows integrating with other application service providers (the SoonR application was the most innovative example of this) and user-driven content (such as MetaCafe's pay-for-popular videos business model). With more people coming online every year, there is still tremendous possibility for any of these businesses to really take off.

What are the biggest challenges facing many of these businesses?

The video e-businesses are all facing competition from each other and having to overcome YouTube's established mindshare. The mobile phone applications e-businesses are taking advantage of a disruptive technology, cellphones with Web access; however, they are also taking on technological uncertainty as well because there are competing mobile phone operating systems from the iPhone, Windows Mobile, and the Blackberry OS. These operating systems, still in their infancy, will go through a great deal of change over the next decade, impacting whether an application designed for one today will work on next year's model.

If you could start an e-business what would it be?

If my goal was making money, I would start up and advertising or enterprise e-business. Algorithms for effective targeted marketing are high in demand, and, in a world where new businesses are emerging every day, the enterprise e-businesses service many of the needs of these new companies. "During a gold rush, sell shovels," as the saying goes.

From a not-so-concerned with profit perspective, I would like to build a free online school for grade school kids, where they could take short automated classes online, contributed by teachers, and earn badges and certificates (the Star Trek fanclub has something similar to this online called "Starfleet Academy"). The application would focus on community building, a social networking site for teachers, and a collaborative tool for students. Income would rely on targeted advertising and merchandise sales of books and educational toys.